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Aircraft shortage structural bottleneck for global aviation industry

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Qatar sets standard in turning challenges into opportunities, says QDB CEO

QIIB chairman Sheikh Dr Khalid bin Thani bin Abdullah al-Thani and CEO Dr Abdulbasit Ahmed al-Shaibei leading the bell-ringing ceremony yesterday, in the presence of QSE CEO Abdullah Mohammed al-Ansari and other dignitaries. **PICTURE:** Thajudheen

QIIB lists 1st Islamic sukuk in QSE history

Qatar International Islamic Bank (QIIB) listed its sukuk on the Qatar Stock Exchange (QSE) yesterday, marking a landmark milestone as the first Islamic sukuk to be traded in the QSE's history.

The sukuk issuance worth QR500mn offers an annual return of 4.40% with a three-year maturity. The listing represents a significant addition to Qatar's Islamic finance market, contributing to greater market depth and the diversification of Shariah-compliant investment products.

The listing was highlighted by a bell-ringing ceremony held in the presence of QIIB chairman Sheikh Dr Khalid bin Thani bin Abdullah al-Thani, QSE CEO Abdullah Mohammed al-Ansari, and QIIB CEO Dr Abdulbasit Ahmed al-Shaibei.

The listing of the QIIB sukuk represents an important milestone for Qatar's debt capital market, as it expands the bank's financing options and enables access to a broader investor base. It also enhances financial flexibility, supports diversification of funding sources, and strengthens the bank's financial stability and competitiveness in both the local and regional banking markets.

Sheikh Dr Khalid said, "This listing comes at a time when the Qatari economy continues to demonstrate strong performance and an advanced standing that attracts investors from around the world, reflecting the high level of confidence in the national economy and its financial institutions.

"The listing of the bank's sukuk on Qatar Stock Exchange provides local and regional investors with access to high-quality financial instruments, enhances liquidity, and contributes to the depth of Qatar's financial market. This step is aligned with QIIB's strategy to diversify its activities and further strengthen its financial position both locally and internationally."

He also affirmed that QIIB has achieved accelerated growth and significant performance improvements in recent years, supported by technological advancement, digital transformation, and its strong credit profile. He noted that the bank has maintained an 'A2' credit rating from Moody's and an 'A' rating from Fitch Ratings, both with stable outlooks, reflecting the strength of its financial position and the effectiveness of its management.

Al-Ansari welcomed the move, stating that the listing will enable issuers to introduce innovative, Shariah-compliant financing products that enhance investor confidence and reinforce Qatar's position as a regional hub for Shariah-compliant investment. He noted that such products also respond to investor demand for Islamic investment solutions backed by real underlying assets.

He said, "This listing is directly aligned with the Third Financial Sector Strategy, particularly in expanding the range of investment products available in the market and deepening the capital market by increasing its maturity and capacity to accommodate diversified investment instruments that meet the varying needs of investors."

Al-Shaibei said, "The listing of the QIIB sukuk represents a historic and strategic step that reflects our long-term vision to deepen our presence in capital markets and expand financing options through diversified financial instruments that meet the expectations of a broad investor base. Over recent years, we have witnessed strong demand for QIIB sukuk in international markets, particularly on the London Stock Exchange.

"Today, the bank has chosen to list its sukuk on the Qatar Stock Exchange based on several key considerations, including strengthening the depth of Qatar's financial market through the introduction of high-quality investment instruments, enabling Qatari investors and local institutions to access instruments previously listed abroad, diversifying funding sources, expanding the investor base, and aligning with the Qatar Central Bank's direction to develop capital markets in support of Qatar National Vision 2030."

Qatar is a role model of progress and prosperity: Sheikh Faisal

QNA
Doha

Qatar National Day is not merely a random commemoration, rather a significant occasion through which all people reflect on the key milestones in the nation's state-building journey, embodying the supreme meanings of pride in the nation and the readiness it demands for sacrifice and dedication, HE the Minister of Commerce and Industry, Sheikh Faisal bin Thani bin Faisal al-Thani, told Qatar News Agency (QNA).

HE Sheikh Faisal added that the State of Qatar, by the will of Allah The Almighty and the determination and vision of its sage leadership, has succeeded in charting a clear pathway to progress and comprehensive development, diligently pursuing its path until it has become a role model of growth and prosperity.

Marking this day is a commemoration of achievements that have been materialising from the era of the Founder Sheikh Jassim bin Mohammed bin Thani to the present day, manifesting Qatar's eminence and leadership across multiple fields, thanks to the long-standing sacrifices of its citizens, who, through their dedication and solidarity, have succeeded in establishing a national success story that all take pride in.

On this occasion, HE Sheikh Faisal availed himself of this opportunity to extend assurances of his highest consideration to His Highness the Amir Sheikh Tamim bin Hamad al-Thani, His Highness the Father Amir Sheikh Hamad bin Khalifa al-Thani, all distinguished people of Qatar, and all those who reside on this blessed nation.

The celebration under the theme "With You It Rises, From You It Awaits", confirms the continuous nation-building path, promotes the values of patriotism for this beloved nation and its leadership, which has made investment in humans a priority to build the State of Qatar as all people wish, the Minister underlined.

HE Sheikh Faisal further noted that this day is marked by a renewed pledge for people to be honest with their tenets, adherent to unity, and working diligently to uphold the banner of the nation in their pursuit to realise ambitions to attain a more prosperous future that ensures the present and future of the generations.

By virtue of the ambitious vision of the prudent leadership, the national economy has moved full steam ahead, providing an attractive commercial and industrial environment through advancing legislative and regulatory frameworks that keep up with global realignments, he pointed out.

The Minister further remarked that these frameworks help incentivise business growth and broaden innovation and entrepreneurship prospects, as well as enhance the attraction of domestic and foreign investments.

He asserted that the Ministry is working to strengthen economic diversification efforts and build a knowledge-based economy, as well as empower the private sector to be a key driver of sustainable economic growth in accordance with Qatar National Vision 2030 (QNV 2030) and the Third National Development Strategy (NDS3), in pursuit of promoting a fair and competitive business climate and deepening the principles of transparency and equal opportunities in the market.

These efforts, he said, would support national industries, elevate the qualities of commodities and services, in addition to shoring up digital transformation to create more competitive economic sectors capable of contributing to achieving self-sufficiency and promoting exports.

HE the Minister of Commerce and Industry, Sheikh Faisal bin Thani bin Faisal al-Thani

The comprehensive economic resurgence and progress in a variety of areas the nation is witnessing today manifests the strength of national will and clear-eyed vision, a stage for achieving further milestones and moving ahead along the pathway toward building a future for a nation that confidently pivots toward entrepreneurship, thanks to the determination and sacrifices of the hardworking people, as well as the integrated efforts of the public and private sectors, HE Sheikh Faisal stressed.

On the ministry's achievements throughout 2025, he recalled that an amalgamation of critical initiatives have been launched with the intent of augmenting economic diversity and fostering the public-private sectors partnership, in addition to supporting small and medium enterprises, driving the momentum of digital transformation and smart technologies in industries, working on integrating sustainable development practices across various sectors, enhancing the protection of intellectual property, raising performance efficiency, and improving the quality of institutional work and services provided.

This comes as part of the ministry's efforts to propel the nation's Sustainable Development Goals, achieve balanced and inclusive economic growth, in line with QNV 2030, and in integration with NDS3, the minister noted.

HE Sheikh Faisal further indicated that the ministry has accorded great attention to bolstering the capabilities of the industrial sector, developing its productivity and competitiveness, and raising its contribution to the GDP, which reached approximately QR27bn in the first half of 2025, while the total cumulative investment in the industrial sector exceeded QR270bn.

He noted the impressive rise in the number of domestically manufactured products, reaching 2,135 national products in the third quarter of 2025, compared with 2,015 products in the third quarter of 2024.

The volume of non-hydrocarbon industrial exports until the third quarter of 2025, HE Sheikh Faisal noted, amounted to roughly QR29.8bn, while the readiness of 30 factories was assessed under the Smart Industry Readiness Index.

He issued a decision to adopt the Qatari Technical Regulation on the shelf life of food products, aiming to ensure the safety and quality of food products circulated in the local market through adopting scientifically based shelf-life periods in line with modern global standards.

USQBC Doha, AITF lead high-level US delegation to advance trusted AI, innovation

The US-Qatar Business Council-Doha (USQBC Doha) and the AI Trust Foundation (AITF) jointly led a high-level US delegation to Doha during World Summit AI (WSAI) MENA 2025, reinforcing a shared commitment to responsible artificial intelligence and cross-border innovation between the US and Qatar.

The mission reflects and advances the commitments established under the April 2025 Memorandum of Understanding (MoU) between USQBC Doha and AITF, led by USQBC Doha managing director Sheikha Mayes al-Thani.

The 15-member delegation comprised founders and executives from small and medium-sized companies working across AI applications, infrastructure, governance, and cybersecurity.

The delegation was co-led by Sheikha Mayes, AITF vice-chair Leah Perry, and AITF board member Justin Floyd, who is also CEO and co-founder of RedCloud Technologies.

In addition to attending WSAI MENA 2025, the delegation participated in strategic engagements across Qatar to explore collaboration opportunities in policy, investment, business development, and talent – reflecting strong interest in deploying trustworthy AI solutions in the region.

The visit opened with a welcome reception hosted by USQBC Doha and AITF, with RedCloud Technologies and GemSoft serving as strategic sponsors. The reception convened leaders from the US and Qatari AI ecosystems and focused on responsible AI adoption, data integrity, and emerging investment pathways.

The mission aligned with Qatar's national innovation agenda under the Third National Development Strategy (NDS3) and reinforced the US vision for global leadership in AI.

Sheikha Mayes said, "This delegation reflects the growing depth and maturity of the US-Qatar relationship in advanced technologies. Through USQBC Doha, we are enabling responsible AI collaboration that is commercially viable, policy-informed, and aligned with national priorities. Qatar's readiness across infrastructure, strategy, and investment makes it a compelling partner for US innovators seeking to scale trusted solutions globally."

Michael Jordan, CEO at Gem Soft, added: "Gem Soft is proud to have co-sponsored this important delegation, which showcased Qatar's readiness to lead in secure, trusted AI and digital innovation aligned with Qatar National Vision 2030. This visit laid the groundwork for concrete partnerships that will translate emerging technologies into real economic impact for both countries."

During the visit, the delegation engaged senior stakeholders shaping Qatar's innovation landscape. These included a private luncheon with the Minister of State for Foreign Trade Affairs HE Dr Ahmad bin Mohammed al-Sayed at the Ministry of Commerce and Industry (MoCI), and an exclusive US-Qatar AI Exchange hosted by YPO Qatar, in collaboration with USQBC Doha and AITF.

Additional engagements included discussions with Eman al-Kuwari, director of Innovation Strategy and head of Emerging Technologies at the Ministry of Communications and Information Technology (MCIT); and Ahmad el-Dandachi, general manager of Microsoft Qatar; as well as other public- and private-sector leaders. Discussions focused on policy alignment, capacity-building, investment pathways, and scalable AI deployment.

Perry said, "This delegation moved the April 2025 MoU from intent to action. By convening government leaders, global technology stakeholders, and founders building real-world AI solutions, we're establishing practical pathways for trusted AI – grounded in strong governance, privacy, and measurable outcomes."

Delegation members also contributed as speakers and panellists at WSAI MENA 2025, including Perry; Lisa Rice, CEO of the National Fair Housing Alliance; Rami Darawsheh, CEO of Olea Health; and Floyd.

The delegation's initiatives culminated with RedCloud signing a major joint venture to deploy its RedAI platform in Turkiye's fast-moving consumer goods (FMCG) market – an agreement valued at a minimum of $5mn annually over 10 years. The JV aims to address FMCG supply chain inefficiencies using AI-enabled intelligence and automation, with operations targeted to begin in Q1 2026.

"After an impactful week in Qatar, it was exciting to take action by signing RedCloud's second joint venture. Turkiye's $166bn FMCG sector faces a $22bn inventory gap that AI can solve. We're creating smart infrastructure to transform trade across the country and the Mena region, demonstrating how ethical AI can be deployed to address major industry and societal challenges for the good of all," said Floyd.

The mission was organised under the 2025 MoU between USQBC Doha and AITF, which advances collaboration on responsible AI governance, investment, and talent between the US and Qatar. USQBC Doha and AITF noted that the Doha delegation precedes a broader set of planned initiatives, with additional programming and cross-border engagements to follow.

National Day: Qatar sets the standard in turning challenges into opportunities, says QDB CEO

QNA
Doha

The Chief Executive Officer of Qatar Development Bank (QDB), Abdulrahman bin Hesham al-Sowaidi, has affirmed that the State of Qatar has become a model in its ability to manage challenges and transform them into promising opportunities, as well as a beacon in balancing the preservation of national identity with openness to the world.

In a statement to Qatar News Agency (QNA) on Qatar National Day, al-Sowaidi said that the National Day represents a glorious chapter in the history of Qatar, written by Sheikh Jassim bin Mohammed bin Thani. It is a moment to recall the founding of the State and the values of independence built on faith, determination, sovereignty, and unity.

Each year, this cherished occasion offers an opportunity to reflect on the progress witnessed today, resulting from sustained effort and dedication that have shaped the features of the modern state.

He added that Qatar continues to move forward with steady steps, consolidating its regional and international standing, while transitioning to a new phase focused on deepening investment in people and in a knowledge-based economy, under the wise leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani.

Al-Sowaidi noted that this year's National Day slogan, ''With You It Rises, From You It Awaits'', embodies Qatar's vision that investing in youth is the most reliable path to consolidating national progress and ensuring sustainable development. He stressed that Qatar's enduring commitment has always been to the capabilities, dedication, and sincerity of its people.

He said that, in line with this vision, QDB affirms its deep conviction that the future of the State is shaped by the hands of its sons and daughters, and that all state policies and development programmes are founded on a firm belief that human development is the cornerstone of nation-building.

He emphasised that QDB continues to play its national role by empowering entrepreneurs, supporting the private sector, contributing to the diversification of the national economy, and fostering a culture of innovation, as an extension of the founding vision and a reflection of the value placed on reliance on national capabilities.

Regarding the key achievements of QDB during the current year, al-Sowaidi said that the Bank has continued to implement its strategy as an enabling institution supporting the business ecosystem and serving as a catalyst for private sector development. He noted that this strategy was launched in alignment with Qatar's Third National Development Strategy and in pursuit of its objectives related to sustainable economic development and strengthening the role of the private sector in the national economy.

He added that the support and development of the national business ecosystem have continued, with projects yielding a range of positive indicators. For the fifth consecutive year, the Local Entrepreneurship Environment Index issued by the Global Entrepreneurship Monitor recorded levels exceeding the global average, with Qatar achieving 11th place globally last year.

In the same context, he noted that non-hydrocarbon business activities continue to grow, recording a growth rate of 3.4% in the second quarter of 2025. He said this reflects the success of national initiatives aimed at economic diversification, which are supported and enabled by QDB in co-operation with various government entities within the business ecosystem, particularly initiatives focused on supporting innovation, developing local enterprises, and activating the export system.

Regarding supporting export activity, QDB has activated internationalisation financing programmes, financing for international contractor projects, buyer credit guarantees, and other dedicated programmes. These initiatives aim to enable companies to implement major contracts and projects outside the country, expand their regional and international presence, enhance their ability to enter new markets, and increase the share of Qatari products within global supply chains.

The CEO of QDB also pointed to efforts to open new regional and international offices through the Bank's export arm, Qatar Exports, to facilitate companies' on-the-ground operations in target markets and to provide all necessary support to strengthen their presence and enhance competitiveness.

He said that this effort began earlier this year with the opening of the first such office in the capital of the Kingdom of Saudi Arabia, Riyadh.


Officials of Qatar Chamber and a Syrian delegation during a meeting in Doha yesterday.

Qatar Chamber discusses enhancing trade, investment ties with Aleppo

Qatar Chamber hosted yesterday a Syrian delegation headed by Abdul Rahman Salama, representative of the Presidency in Aleppo and deputy governor of Aleppo.

The delegation was received by Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari, in the presence of board members Mohamed bin Ahmed al-Obaidli and Dr Mohamed bin Jawhar al-Mohamed.

The Syrian delegation included Mahmoud al-Shahadi, director of International Co-operation at the Ministry of Foreign Affairs; Hazem Lotfy, Investment co-ordinator; and Abdul Karim al-Thalji, representative of the Ministry of Foreign Affairs and Expatriates.

During the meeting, both sides reviewed co-operation relations between the two countries in various fields, particularly in trade, economy, and investment, as well as the investment opportunities available in Aleppo.

The meeting also discussed the possibility of organising a joint business meeting or workshop, bringing together officials from various economic sectors in Aleppo Governorate and representatives of Qatari companies across different sectors, and introducing the governorate's investment opportunities in detail before Qatari investors.

Al-Kuwari highlighted the strong interest of Qatari business owners in exploring available investment opportunities, particularly in light of the extensive reconstruction underway in Syria.

He noted that the Aleppo Governorate is considered Syria's industrial and economic capital, and underscored that Qatari business leaders are keen to learn more about its investment climate and available opportunities, especially in the industrial, agricultural, and commercial sectors.

Salama invited Qatari business owners to explore the investment opportunities available in Aleppo across various economic sectors. He explained that the cement sector, for example, is currently dilapidated and in need of reconstruction, presenting significant investment potential.

He noted that the Aleppo Governorate is the largest governorate after Damascus and is considered Syria's largest industrial city. Since liberation, 1,400 new factories have been established in Aleppo, said Salama, who called on Qatari businessmen to invest in this vital industrial sector. Al-Obaidli stressed the need for a clear investment map for the Aleppo Governorate that outlines all sectors, available investment opportunities, and related incentives.

He noted that Syria is distinguished by its skilled technical workforce and human competencies across various fields.

Al-Mohamed highlighted the sincere fraternal relations between the two brotherly countries, noting that these ties are clearly reflected in co-operation across the trade, economic, and investment fields, and reaffirming the strong interest of Qatari business leaders in investing in Syria.

According to Lotfy, under the new law, investment is now 100% open to foreign investors, offering numerous incentives and facilities. These include the free movement of capital, the entry of technical workers, and facilities at both the agricultural and industrial levels.

Al-Shahadi said the population of Aleppo Governorate exceeds 7.5mn people, and that there is a great need for many projects within the framework of reconstruction, which generate major investment opportunities.

Oil's Middle East benchmark flashes signs of swelling supply

Bloomberg
Dubai

The Middle East's Dubai oil benchmark is showing signs of worsening oversupply, adding to a slew of indicators pointing to a global glut.

The spread for consecutive months beyond the February contract slipped into a bearish contango as of Wednesday morning in Asia, according to brokers and traders familiar with the matter. That's when later-dated contracts are at a premium to prompt ones, signalling supply is running ahead of demand.

Asian traders and refiners price transactions against the Dubai grade. The gap between the February and March contracts was around 6 cents in contango as of 11.25am in Singapore. March and April were roughly 8 cents wide.

The global oil market is beset by concerns that there's a worldwide surplus after drillers including Opec+ stepped up production. That's dragged futures prices lower in key pricing centres, with Brent dipping below $60 a barrel on Tuesday. Among leading forecasters, the International Energy Agency has predicted that there'll be a substantial glut in 2026.

Dubai derivatives are largely traded in an over-the-counter market, rather than on futures exchanges. The trading activity highlights plentiful near-term supply of Middle Eastern barrels compared with later-loading dates.

Timespreads for Dubai derivatives on the Intercontinental Exchange, although less heavily traded than OTC products in Asia, also show weakness. The spread between ICE Dubai for January and February was as much as 2 cents a barrel in contango on Tuesday. That's the weakest in more than a year.

The broader forward curve is also showing softness, with the gap between consecutive months beyond February slightly negative. That's apparent in both the OTC market, according to brokers and traders, as well as futures.

Globally, signs of oversupply are building. Physical markets in the US are flashing similar warnings, with some key domestic indicators in contango. Elsewhere, volumes in floating storage have been growing, with oil loaded onto ships that haven't moved in at least seven days near the highest since the pandemic, according to Vortexa Ltd.

Bloomberg QuickTake Q&A

Why investors are worried about Japan's bond market

By Mia Glass

Yields on Japan's long-dated bonds reached multi-year highs in early December, signalling weak investor demand amid concerns about increased government spending and the possibility of an interest-rate hike on December 19.

Japan's normally stable $7.5tn bond market has endured months of uncharacteristic volatility — including several underwhelming auctions of government debt. The trouble erupted in May, when a poorly received auction of 20-year bonds sent yields soaring. An auction of 40-year bonds later that month added to the turbulence.

This came after the Bank of Japan (BoJ) — which owns more than half the nation's sovereign notes — started gradually trimming its balance sheet and scaling back its bond purchases. The problem has been that other buyers have not stepped in sufficiently to fill the gap left by the BoJ.

The shift in central bank policy comes at a particularly challenging moment, as investors scrutinise a rise in government spending globally, and the reliance of selling bonds to fund that spending.

What's (usually) the appeal of government bonds?

Government bonds are generally considered one of the safest assets to invest in because it's deemed relatively unlikely that the issuer — a government — will go bankrupt. That's because a government sets its own rules and can typically raise money when it needs to. Long-term bonds tend to offer investors relatively high yields for relatively low risk because the investor is agreeing to, and locking in, an interest rate for a significant period of time, like 20 or 40 years. Japanese bonds, in particular, have for decades been considered one of the most stable government debt markets globally. But recently demand has been weak, for a few reasons, which has caused the price of bonds to fall, and yields to inversely rise.

Why has demand been weak in 2025?

Japan's central bank has long been the dominant buyer of Japanese government bonds. The country had, until recently, been in a cycle of deflation since the 1990s, known as the "Lost Decades". Buying bonds, which allows the government to issue more debt and spend more as a result, had been part of the BoJ's strategy to stimulate the economy.

But as Japan emerges from deflation and is no longer focused on bolstering the economy through bond purchases, the central bank has started to scale back its massive holdings, which hit a record high in November 2023. With the BoJ stepping back, there simply aren't enough other buyers to absorb the supply, leaving demand weak.

What else is contributing to investor worries?

On November 21, the Japanese government approved a ¥21.3tn ($137bn) stimulus package — its biggest such spending plan since the pandemic. That has unnerved some investors because these measures typically require more government borrowing, which means more bonds issued — in this case an extra ¥6.9tn worth. Typically, when the supply of bonds increases, their price falls — and investors don't want to be stuck with assets that could lose value.

Demand for bonds has also suffered ahead of the BoJ's policy announcement on December 19. Bond investors are wary that a BoJ rate hike — which is largely expected — would push yields higher and drive down the value of existing debt.

Nevertheless, there are some early signs that appetite is returning. A 30-year bond sale on December 4 drew the strongest demand since 2019. Foreign buyers, in particular, are taking advantage of the highest yields in years because hedging the yen back into their own currency can lock in additional returns. They are set to buy a record amount of Japanese bonds in 2025, the highest annual total since data tracking began in 2005.

What's at stake if demand remains weak?

Persistently weak demand for bonds — and the higher yields that come with it — would increase borrowing costs across Japan, affecting the government, companies and households. There are already worries about Japan's huge debt burden.

It also leaves the BoJ in a difficult position, as the central bank balances calls to keep borrowing costs low against the need to lift rates to control inflation.

For the nation's life insurers, higher bond yields can mean huge paper losses on their domestic bond portfolios they have accumulated. Four of Japan's biggest life insurers reported about $60bn of combined unrealised losses on their domestic bond holdings for the latest fiscal year, about four times the total a year earlier.

Are the government and central bank worried?

There are signs that both the central bank and government are uneasy about rising bond-market volatility. BoJ Governor Kazuo Ueda noted on December 9 that long-term bond yields were rising "at a somewhat rapid pace." To avoid destabilising the market, the BoJ now plans to slow the pace of its retreat from the bond market. From next fiscal year, it will cut monthly bond purchases by ¥200bn every quarter, instead of the current reduction of ¥400bn. Ueda also said the bank would be prepared to increase its bonds purchases in exceptional cases to stabilise the market if needed.

The government is also trying to avoid adding pressure to yields. To fund its stimulus package, it has opted to lean on short-term debt — boosting issuance of two- and five-year bonds by ¥300bn each — instead of relying on longer maturities.

In September, the finance ministry also proposed decreasing its issuance of super-long term government bonds by ¥100bn at auctions in October and December.

Still, Japanese Prime Minister Sanae Takaichi recently said that it's more important for her government to focus on economic growth rather than rising yields. She said it was impossible to isolate the impact of fiscal policy on yield moves.

What's happening with bonds elsewhere around the world?

Many major markets around the world have been experiencing a rout in longer-dated bonds since US President Donald Trump unveiled his "Liberation Day" tariffs in April, which have heightened inflation risks and, in turn, pushed yields higher. Still, the moves in Japan's long-maturity bonds have been particularly acute.

Adding to the upward pressure on yields, traders are also increasingly betting that some central banks will slow or halt their monetary easing next year, further dampening demand for bonds beyond Japan.

Warner Bros Discovery board rejects rival bid from Paramount

Reuters
Los Angeles

Warner Bros Discovery's board spurned Paramount Skydance's $108.4bn hostile takeover bid yesterday, calling the offer "illusory" as it accused the studio giant of misleading shareholders about its financing.

Paramount and Netflix have been in a race to win control of Warner Bros, and with it, its prized film and television studios, HBO Max streaming service and franchises like *Harry Potter*. After Warner Bros accepted the streaming giant's offer, Paramount launched a hostile offer to outdo that bid.

In a letter to shareholders yesterday, the Warner Bros board wrote that Paramount had "consistently misled" them by saying its $30-per-share cash offer was fully guaranteed, or "backstopped," by the Ellison family, led by billionaire and Oracle co-founder Larry Ellison.

"It does not, and never has," the board wrote of the guarantee of Paramount's offer, noting that the offer posed "numerous, significant risks."

The board said it found Paramount's offer "inferior" to the merger agreement with Netflix. Netflix's $27.75 per share cash-and-stock offer for Warner Bros' unit is a binding agreement that requires no equity financing and has robust debt commitments, the board wrote.

The offer could be terminated or amended at any time prior to the deal's completion, which is not the same as a binding merger agreement, the board said.

Warner Bros has not yet set a date for a shareholder vote on the deal but it is expected to happen sometime in spring or early summer, its Chairman Samuel Di Piazza said in an interview with CNBC. The Ellisons have cited their relationship with US President Donald Trump as a reason why the deal would face an easier regulatory path.

Paramount accused Warner Bros of hiding behind a "cloud of obfuscation" and said its all-cash bid provides more certainty against the "market fluctuations" than Netflix's cash-and-stock offer, which has been reduced by a drop in its share price.

"Our proposal clearly offers WBD shareholders superior value and certainty, a clear path to close, and does not leave them with a heavily indebted sub-scale linear business," Paramount CEO David Ellison said.

Meanwhile, Netflix is in talks with the US Department of Justice and the European Commission, its other co-CEO Greg Peters told CNBC, while expressing confidence in how regulators would view the deal.

Warner Bros shares fell 1.2% to $28.5, while Netflix gained 2.5% and Paramount fell 4.8%.

A spokesperson for Affinity Partners – the investment firm run by US President Donald Trump's son-in-law Jared Kushner – confirmed it was no longer part of Paramount's bid, saying the "dynamics of the investment have changed significantly" since it joined in October.

Netflix has told Warner Bros it would keep releasing the studio's films in cinemas to ease fears that its deal would eliminate another studio and major source of theatrical films, according to people familiar with the matter.

Netflix and Warner Bros Discovery logos are seen in an illustration. Warner Bros Discovery's board spurned Paramount Skydance's $108.4bn hostile takeover bid yesterday, calling the offer "illusory" as it accused the studio giant of misleading shareholders about its financing.

Paramount last week took its case directly to Warner Bros shareholders, arguing it has arranged "air-tight financing" to support its bid, with $41bn in new equity assured by the Ellison family and RedBird Capital, and $54bn of debt commitments from Bank of America, Citi and Apollo.

Warner Bros board countered that Paramount's latest offer includes an equity commitment "for which there is no Ellison family commitment of any kind," but rather the backing of "an unknown and opaque" Lawrence J Ellison Revocable Trust, whose assets and liabilities are not publicly disclosed and are subject to change.

"Despite having been told repeatedly by WBD how important a full and unconditional financing commitment from the Ellison family was…the Ellison family has chosen not to backstop the PSKY offer," the Warner Bros board wrote.

"A revocable trust is no replacement for a secured commitment by a controlling shareholder."

Paramount has submitted a total of six bids to acquire the entire Warner Bros studio, including its television networks, including CNN and TNT Sports.

It has said the Ellison family trust – which Paramount says contains more than $250bn in assets including about 1.16bn shares of Oracle – is more than adequate to cover the equity commitment. Warner Bros has raised doubts about Paramount's financial condition and creditworthiness. The offer relies on a seven-party, cross-conditional structure, with the Ellison Revocable Trust providing just 32% of the required equity commitment while capping its liability at $2.8bn, Warner Bros said. It noted that the trust's assets could be withdrawn at any time.

"The PSKY offer provides an untenable degree of risk and potential downside for WBD shareholders," the board wrote.

The Warner Bros board noted that Netflix has an investment-grade rating and a market value exceeding $400bn, while Paramount has a $15bn market capitalisation and a credit rating "a notch above 'junk.'

A combination would leave Paramount with a debt ratio of 6.8 times its operating income "with virtually no current free cash flow."

The bidder would also impose what Warner Bros said would be "onerous operating restrictions" on the company, during the potentially lengthy period between signing and closing, including limits on new content licensing deals. Paramount's plan to achieve $9bn in "synergies" across the two companies was described as "ambitious", the Warner Bros board said, and would represent a new round of job losses that "would make Hollywood weaker, not stronger."

Warner Bros' board dismissed Paramount's charges of unfairness – set forth in a filing by Paramount last week – saying it held dozens of calls and meetings with the studio's principals and advisers, including four in-person meetings and meals with CEO David Zaslav and Paramount CEO David Ellison, or his father, Larry Ellison.

ECB set to hold rates but debate over future heats up

AFP
Frankfurt

The European Central Bank (ECB) is expected to hold interest rates steady this week for its fourth straight meeting with inflation in check, although debate is heating up about the path forward.

Following a year-long series of cuts, the central bank for the 20 countries that use the euro has kept its key deposit rate on hold at 2% since July.

Inflation has settled around the central bank's 2% target in recent months and Europe has weathered US President Donald Trump's tariff onslaught better than initially feared.

While sluggish, Europe's economy has at least proven resilient – third-quarter euro-area growth was this month revised up to 0.3% – and ECB officials have sounded more upbeat.

"The euro-area economy has been much more resilient than could have been expected in the face of the greatest disruption of the international trade order since the Second World War", ECB governing council member Isabel Schnabel told Bloomberg last week.

Still, observers don't believe this will nudge ECB policymakers into action at Thursday's meeting – uncertainty remains heightened, and Trump's erratic trade policy as well as potential responses to it are keeping officials on their toes.

"Uncertainty remains higher than usual owing to volatile global trade policies," ECB President Christine Lagarde said in a December speech to the European Parliament, adding that she saw "two-sided" risks when it came to inflation.

While a stronger euro, cheaper energy and slowing wage growth would all be expected to hold inflation down, a resilient eurozone economy combined with the German government's investment bonanza coming online could see price growth pick up pace.

The ECB will publish updated growth and inflation projections that include 2028 for the first time at this week's meeting, and investors will be closely watching for any clues on the central bank's thinking regarding future rates.

"Investors will be looking for any further hints that policymakers are getting more optimistic about the outlook," Capital Economics analyst Andrew Kenningham told AFP, adding that he nevertheless expected eurozone growth and inflation to slow next year.

Schnabel – considered a hawk who is particularly wary of inflation – fuelled expectations of possible rate rises next year after saying last week that she was "rather comfortable" to see traders pencil in hikes, and hinting at rosier projections.

Asked about the growth forecasts last week, Lagarde said she had a "suspicion" they could be revised up.

Still other members of the rate-setting governing council, including Finland's Olli Rehn and France's Francois Villeroy de Galhau, have emphasised just how uncertain the inflation outlook is.

"The downside risks on the inflation outlook remain at least as significant as the upside risks," Villeroy said in a speech earlier this month.

"The name of the game for our future meetings remains full optionality. We don't exclude any policy action."

How aviation is coping with relentless travel demand in 2025

By Alex Macheras

By 2025, global travel demand is no longer a surprise. What is striking is not that people are travelling in large numbers, but where that demand is concentrating and how consistently aviation has managed to absorb it. Passenger volumes are high, sustained, and increasingly predictable in their peaks. The industry's challenge today is not stimulating demand, but managing it efficiently across a network that is under constant pressure.

The world's busiest travel destinations this year are shaped by a combination of tourism strength, economic gravity, diaspora flows, and hub connectivity. In many cases, aviation has adapted well. In others, the stress points are becoming clearer, not because airlines lack aircraft or ambition, but because infrastructure, airspace, and labour are finite.

Europe remains one of the most heavily trafficked regions, but the pattern of demand has evolved. London, Paris, Rome, Barcelona, and Amsterdam continue to dominate international flows, yet they now operate in a permanently constrained environment. Heathrow's traffic volumes are consistently high across the year, not just during summer peaks. Airlines have adjusted by prioritising higher-density aircraft, carefully timed banks, and slot-efficient scheduling. Growth exists, but it is incremental, squeezed into margins rather than expanded wholesale.

Southern Europe is where the pressure is most visible. Spain and Italy are among the busiest leisure markets of 2025, with Madrid, Barcelona, Rome, and Milan supported by a constellation of secondary airports handling unprecedented volumes. Málaga, Alicante, Palma de Mallorca, Venice, Naples, and Florence are all operating at or near seasonal capacity for extended periods. Aviation has responded pragmatically: upgauging aircraft, extending operating hours, and redistributing demand into shoulder seasons where possible. The constraint is no longer airlift, but airport throughput and local tolerance for visitor density.

In the Middle East, demand patterns reflect the region's role as a global connector combined with a growing ability to generate point-to-point traffic. Doha stands out not because of sheer scale, but because of operational control. Hamad International Airport continues to handle a high proportion of connecting passengers while steadily increasing inbound tourism volumes. The airport's single-terminal design and coordinated airline scheduling allow it to manage growth without the congestion seen at older hubs. Qatar's success in converting transfer traffic into stopover and destination demand has added resilience, reducing dependence on pure transit flows.

Istanbul occupies a different position. It is both a destination and a hub, and its growth reflects that dual role. Turkish Airlines' expansive network continues to funnel traffic from Africa, Central Asia, and secondary European cities through Istanbul Airport.

The airport's scale allows it to absorb growth that would overwhelm smaller hubs, though peak-hour congestion is becoming more visible. Aviation has coped well so far, but future growth will depend on airspace efficiency and continued coordination between airport and airline.

Asia-Pacific presents some of the most intense demand concentrations of 2025. Bangkok remains one of the busiest leisure destinations in the world, with passenger volumes driven by short-haul regional travel and long-haul arrivals from Europe and North America. Tokyo has seen sustained international traffic, particularly from the United States, as premium leisure and business travel remains strong. Singapore continues to function as a high-efficiency hub, balancing transit flows with destination demand through tight slot management and consistent service standards.

India is one of the most consequential markets shaping global aviation this year. Delhi and Mumbai are experiencing relentless demand across domestic and international segments, driven by economic growth, diaspora travel, and expanding long-haul connectivity. Aviation has largely kept pace through higher frequencies, larger aircraft, and the gradual emergence of international services from secondary Indian cities. Infrastructure expansion is underway, but demand continues to test the system, particularly during peak travel windows.

In North America, the busiest destinations are less about tourism concentration and more about network gravity. New York, Los Angeles, Atlanta, Dallas, and Chicago continue to dominate passenger flows, while leisure-heavy markets such as Orlando, Las Vegas, and Miami sustain high volumes year-round. The US aviation system has managed demand through scale, but reliability remains a concern, driven by air traffic control shortages and weather-related disruptions. The issue is not capacity in the air, but consistency on the ground and in the airspace.

Latin America is experiencing steady growth without the same degree of congestion seen elsewhere. Mexico City, Cancún, São Paulo, and Bogotá are handling increased volumes from North America and Europe, while secondary cities are appearing more frequently on long-haul route maps. Aviation here has adapted through measured expansion, balancing demand with infrastructure limitations and economic volatility.

What unites these markets is not uniform growth, but concentrated demand. Passengers are travelling in large numbers to a relatively small set of global cities and regions. Aviation has responded with flexibility rather than brute expansion.

Airlines are deploying long-range narrowbodies to serve thinner long-haul markets, allowing capacity to be right-sized. Airports are investing in automation, biometric processing, and redesigned passenger flows to increase throughput without physical expansion.

On the whole, aviation has coped better than many expected. Aircraft availability has improved, airline planning has become more data-driven, and network design is increasingly sophisticated. The real constraints now lie outside the airline balance sheet. Runways, airspace, staffing, and political approval processes define how far growth can go.

The busiest travel destinations of 2025 illustrate an industry operating close to its limits, but not beyond them. Demand is immense, sustained, and geographically concentrated.

Aviation has adapted not by chasing volume indiscriminately, but by optimising what already exists. The next phase will depend less on adding flights and more on how intelligently the system manages where people want to go.

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Aircraft shortage is structural bottleneck for global aviation industry

By Pratap John

Aircraft availability remains one of the most significant constraints on aviation industry's growth, globally.

A structural mismatch between airline demand and manufacturing capacity is expected to persist until at least 2031-2034, according to the International Air Transport Association (IATA).

Although deliveries of new aircraft began to pick up this year and production expected to accelerate in 2026, demand is forecast to outstrip the availability of aircraft and engines.

The global trade body of airline says the normalisation of the structural mismatch between airline requirements and production capacity is unlikely before the 2031-2034 period due to irreversible losses on deliveries over the past five years and a record-high order backlog.

The current high order backlogs and persistent supply chain issues mean the constraint on aviation growth will likely be a hallmark of this decade.

Delivery shortfalls now total at least 5,300 aircraft, while the order backlog has surpassed 17,000 aircraft, a number equal to almost 60% of the active fleet — this backlog is equivalent to nearly 12 years of the current production capacity, IATA noted recently.

In turn, the average fleet age has risen to 15.1 years (12.8 years for aircraft in the passenger fleet, 19.6 years for cargo aircraft, and 14.5 years for the wide-body fleet), and aircraft in storage (for all reasons) exceed 5,000 aircraft, one of the highest levels in history despite the severe shortage of new aircraft.

A passenger aircraft takes off from an airport in Virginia. A structural mismatch between airline demand and manufacturing capacity is expected to persist until at least 2031-2034, according to the International Air Transport Association.

Beyond the Tarmac

Due to the lack of new deliveries, various airlines are often forced to operate older, less fuel-efficient aircraft for longer, which increases operational costs (fuel and maintenance) and slows progress on environmental targets.

Airlines are unable to add new routes or frequencies and, in some cases, are forced to cut existing services. Growth plans get delayed often, connectivity is reduced, and secondary or developing markets are often hit first. "Airlines are feeling the impact of the aerospace supply chain challenges across their business," noted IATA's Director General Willie Walsh.

"Higher leasing costs, reduced scheduling flexibility, delayed sustainability gains, and increased reliance on suboptimal aircraft types are the most obvious challenges. Airlines are missing opportunities to strengthen their top-line, improve their environmental performance, and serve customers.

"Meanwhile, travellers are seeing higher costs from the resulting tighter demand and supply conditions. No effort should be spared to accelerate solutions before the impact becomes even more acute."

As production bottlenecks continue, new challenges and impacts are being revealed such as delivery delays being compounded by several factors such as airframe production outpacing engine production, longer timelines for new aircraft certification (from 12-24 months to four or even five years), tariffs on metals and electronics resulting from US-China trade tensions, and a shortage of skilled labour, especially in engine and component manufacturing, constraining production ramp-up plans.

IATA says fuel efficiency improvements are also slowing as the fleet ages. Historically, fuel efficiency improved by 2.0% per year, but this slowed to 0.3% in 2025 and is projected at 1.0% for 2026.

A recent study by IATA and Oliver Wyman estimated that the cost to the airline industry of supply chain bottlenecks will be more than $11bn in 2025, driven by four main factors of excess fuel costs, additional maintenance costs, increasing engine leasing costs, and surplus inventory holding costs.

To help expedite solutions, the study points to several considerations such as opening up aftermarket best practices by supporting Maintenance, Repair and Operations (MRO) to be less dependent on Original Equipment Manufacturers (OEM) driven commercial licensing models, as well as facilitating access to alternative sourcing for materials and services.

It also recommends enhancing supply chain visibility to spot risks early, using data more extensively in leveraging predictive maintenance insights, and expanding repair and parts capacity to accelerate repair approvals.

Already, the global aviation industry is under pressure to meet demanding net-zero carbon emissions targets by 2050. The high cost and limited availability of Sustainable Aviation Fuel (SAF) make this a significant challenge requiring massive investment. The structural mismatch is not a temporary hiccup, industry analysts say.

IATA's forecast is that the supply-demand imbalance will persist for the rest of the decade, with a return to normalcy unlikely before 2034.

Clearly, the problem's resolution is hindered by the sheer scale of the backlogs and the time required to address deep-seated issues within the aerospace manufacturing ecosystem.

Generally, reduced air connectivity affects tourism, trade, cargo flows and business travel, with knock-on effects on economic growth, particularly for aviation-dependent economies.

Limited aircraft availability acts as a structural bottleneck for the aviation industry — restricting growth, raising costs, weakening reliability, and slowing sustainability progress — at a time when global air travel demand continues to recover and expand!

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Spirit Airlines eyes merger with Frontier amid restructuring

Bloomberg
New York

Bankrupt Spirit Aviation Holdings Inc is in revived discussions to merge with Frontier Group Holdings, people familiar with the matter said, in a deal that could rescue the deep-discount airline from insolvency at a time of stiff competition from larger US carriers.

A transaction could be announced as soon as this month, said the people, who asked not to be identified because the matter is confidential. The discussions are ongoing and could end without a deal taking place, they said.

Shares in Frontier rose about 10% in US post-market trading after Bloomberg's report. Spirit was unchanged and closed on Tuesday at 20 cents in regular trading.

A representative for Spirit said it doesn't comment on rumours and speculation. Frontier declined to comment. A merger between the airlines would mark a significant step for Spirit, which filed its second bankruptcy in less than a year in August. A tie-up would also be an acknowledgment that the pioneering deep-discount carriers need greater heft to compete in the current industry environment. The basic economy fares and strong networks of major carriers such as United Airlines Holdings Inc. have made it harder for traditional discounters to compete.

A combined Spirit-Frontier stands to become the fifth-largest airline in the US based on miles flown by paying passengers, moving ahead of JetBlue Airways Corp and Alaska Air Group Inc, according to government data through September.

Spirit has been buffeted by a bruising year for US aviation, which included a government shutdown, trade feuds and network disruptions. The discussions are taking place as Frontier abruptly replaced its longtime leader and Chief Executive Officer Barry Biffle. Frontier executives have pushed for years for a combination of the two carriers, which once specialised in offering heavily discounted ticket prices while charging travellers for anything else — including printed boarding passes and in-flight water. Both have recently started offering more upscale options in a bid to expand their customer base.

A merger would help Spirit find a credible exit from Chapter 11 bankruptcy as it burns cash and add about 100 planes to Frontier's fleet at better lease rates than a year ago, Bloomberg Intelligence analysts Francois Duflot and George Ferguson wrote in a note.

"Yet Frontier's priority is to boost yields, and its competitive challenge isn't Spirit — it's United," according to the note.

Biffle, who ran Frontier for about a decade, said in August he expected the airline to be the last of the ultra-low-cost carriers standing. Both operators have struggled to keep up with legacy carriers Delta Air Lines Inc and United as consumer sentiment shifts toward full-service flights.

At its heyday in the 2010s, Spirit rose to prominence with cheap ticket prices, shock marketing tactics and optional add-ons — including its infamous carry-on bag fee, an industry first.

FAA chief 'confident' cutting flights in shutdown was right call

Bloomberg
New York

The US Federal Aviation Administration (FAA)'s decision to cut flights across 40 major airports during the government shutdown earlier this year was necessary to protect the safety of the flying public, the head of agency told lawmakers.

FAA Administrator Bryan Bedford, in testimony prepared for a hearing held on Tuesday by the House Transportation and Infrastructure Committee's aviation subcommittee, cited the need to identify risks sooner following January's deadly midair collision between an American Airlines Group Inc passenger jet and a US Army helicopter near Ronald Reagan Washington National Airport.

"I am confident that decreasing operations during an uncertain and stressful time was the right decision on behalf of the flying public and the United States," he said in a letter to House and Senate lawmakers on Monday evening that was seen by Bloomberg.

Bedford sent the letter in response to an inquiry Democrats on the House transportation committee — led by Ranking Member Rick Larsen — sent to Bedford and Transportation Secretary Sean Duffy last month seeking more information on the flight cut decision.

"The connection between controller workload, system demand and operational risk was unmistakable," Bedford added during Tuesday's hearing.

The hearing is Bedford's first appearance before Congress since he was confirmed to lead the FAA. Prior to joining the regulator, he ran regional airline Republic Airways Holdings for more than 25 years.

The FAA's flight cut order during the shutdown required airlines to reduce capacity at the 40 airports by as much as 10%, exacerbating US flight disruptions and hitting carriers' finances after a bruising year.

The capacity reduction rate only reached

Bryan Bedford, FAA Administrator.

6% before Congress reached a deal to end the shutdown. The agency froze the rate at that level on November 12 and then rolled back the policy in the days after.

The FAA and Transportation Department have said that they were seeing a record level of flight disruptions stemming from controller absences. They also said other data, including voluntary safety disclosure reports from pilots, indicated signs of strain on the system.

The government hasn't provided the full risk assessment it conducted. In the Monday letter, Bedford said the FAA determined traditional mitigation measures, such as slowing traffic in and out of airports, were no longer sufficient, given the "extraordinary" staffing issues the agency was seeing during the shutdown.

In his prepared remarks for Tuesday's hearing, Bedford also discussed the FAA's work to overhaul its aging air traffic system — an effort that gained momentum after the deadly midair collision near Washington and a spate of technology outages affecting Newark Liberty International Airport.

Congress already provided the agency with $12.5bn for the project, but Bedford and Duffy have said they need an additional $20bn. The government recently awarded Peraton Inc, a national security and technology company owned by private equity firm Veritas Capital, a contract to serve as the "prime integrator" overseeing the project, which will include upgrades to telecommunications systems and radar equipment. The FAA has already begun the modernisation work, including transitioning more than one-third of copper wire to new fibre optic lines, Bedford said.

"These improvements will enable the Integrator to hit the ground running to create a more reliable, resilient infrastructure and serve as the foundation for the future National Airspace System," the administrator said.

When asked why the FAA chose Peraton over a joint bid from Parsons Corp and IBM Corp, Bedford said Peraton had unique expertise upgrading the telecommunications systems of the Defense Department and Nasa. "Peraton brought a competency that is relevant to what we need."

He said neither President Donald Trump nor Duffy interfered in the selection process and added that Trump actually demanded a $200mn reduction in Peraton's fee.