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Global SAF supply falls short of aviation's climate needs

Thursday, December 25, 2025
Rajab 5, 1447 AH
GULF TIMES
BUSINESS

CUTTING DEBT: Page 2
BP to sell 65% stake in Castrol to Stonepeak for $6bn

Government seen as first customer in Qatar's innovation drive

By Peter Alagos
Business Reporter

Nejoud M al-Jehani, executive director of Strategy & Programmes at the QRDI Council. **PICTURE:** Thajudheen

The government is positioning itself not only as a regulator but also as the first customer in Qatar's innovation ecosystem, according to an official of the Qatar Research, Development and Innovation (QRDI) Council.

Nejoud M al-Jehani, executive director of Strategy & Programmes at the QRDI Council, said this dual role is critical to building confidence in new technologies and enabling startups and corporates to scale.

Al-Jehani explained at the 'Ibtechar Majlis' panel discussion that public institutions must lead by example, adopting innovative solutions to address national challenges. By defining problems clearly and piloting solutions, she emphasised that government entities create demand and demonstrate viability.

"Government must be the first customer. When we adopt solutions, we give the market confidence to grow," al-Jehani told her fellow panellists Eman al-Kuwari, director of Digital Innovation at the Ministry of Communications and Information Technology (MCIT); Dr Georgios Dimitropoulos, professor and associate dean for Research at the College of Law, Hamad Bin Khalifa University (HBKU); and Hissa al-Tamimi, director of Governmental Innovation Department at the Civil Service and Government Development Bureau (CGB).

Engineer Nayef al-Ibrahim, co-founder and CEO of Ibtechar, moderated the discussion, which explored the development of a Public Innovation Lab (PIL) ecosystem that would help to improve efficiency, service delivery further, and encourage greater citizen participation.

During the discussion, al-Jehani also underscored the importance of government adoption in shaping the innovation landscape, signalling to entrepreneurs and investors that "new technologies are credible and worth pursuing."

Beyond adoption, al-Jehani emphasised the enabling role of government - setting standards, operating partnerships, and ensuring regulatory frameworks evolve alongside technology. She said, "Our role is not only to regulate but to enable - by setting standards, opening partnerships, and creating space for collaboration."

According to al-Jehani, this approach helps create a fertile environment where startups, corporates, and researchers can collaborate with confidence.

She noted that it also ensures that innovation is not confined to internal reform but extends across the ecosystem, creating value for society at large.

Al-Jehani's statements were also complemented by al-Kuwari, who described how the Tasmu Innovation Lab provides controlled sandboxes for testing emerging technologies before full rollout.

Al-Tamimi, meanwhile, highlighted the role of government accelerators in embedding an innovation culture and improving Qatar's standing in global innovation rankings. Similarly, Dimitropoulos stressed the importance of academia-government collaboration in building credibility and accelerating the adoption of advanced technologies.

Commercial Bank honoured with Citi Bank's Straight-Through-Processing Excellence Award

Commercial Bank has been honoured with the prestigious Straight-Through-Processing Excellence Award from Citi Bank, recognising the bank's outstanding STP performance in achieving 99.9% in commercial payments and 100% in treasury payments.

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Held at Commercial Bank Plaza, the ceremony was attended by senior representatives from Commercial Bank, including Omran al-Sherawi, Senior AGM and Head of ALM; Mansoor Salem, AGM, Head of Financial Institutions; Kiran Gusain, Regional Head, Financial Institution; Philomena Gan, AGM Institutional Operations; Amir Raza, Senior Manager; and Abdulrahman Zaghmout, Regional Head, Financial Institution.

Delegates from Citi Bank also attended, including Seemanti Considine, the new FI Sales Head for Middle East and Pakistan; Sammy Yasin, Director, Middle East & Africa Corporate Banking - Qatar & Oman Coverage; and Ikram Kably - Vice-President, Financial Institutions Client Executive - Treasury & Trade Solutions.

Fahad Badar, Executive General Manager and Chief Wholesale and International Banking Officer of Commercial Bank, said: "Receiving this award marks an important milestone for Commercial Bank, reinforcing our commitment to operational excellence and the highest standards in commercial and treasury transfers.

"Being a financial partner means more than the traditional definition; we are dedicated to setting new industry standards and offering services that enhance the banking experience. Each recognition strengthens our resolve to deliver exceptional banking while supporting Qatar's ambitious vision". Seemanti B Considine said: "We are very pleased to present this award to Commercial Bank, which is a testament to their operational efficiency and commitment towards excellence."

Aamal's JV Frijns Steel Construction Middle East wins major contract for QR140mn structural work execution

Aamal Company's joint venture, Frijns Steel Construction Middle East, a leading fabricator of high-quality structural steel for the petrochemical and process industries, has been awarded a major contract exceeding QR140mn.

Under the contract, Frijns will undertake the supply, fabrication, painting, delivery and installation of the structural steel scope for the prestigious aviation-related contract, further strengthening the company's position as a leading provider of high-performance, large-scale structural steel solutions in Qatar.

Aamal Company CEO Rashid bin Ali al-Mansoori said: "This important achievement demonstrates the continued confidence placed in Aamal's industrial ventures and underscores our role as a key enabler of Qatar's development objectives.

"Frijns Steel Construction Middle East has consistently delivered exceptional performance, and this new milestone reflects the strength of our partnership, the capabilities of our teams, and our commitment to supporting the country's infrastructure and growth."

Rob Frijns, managing director and partner of Frijns Steel Construction Middle East, said: "Frijns Steel Construction brings decades of experience and a dedication to excellence to this project.

"We value this trust and are confident that our expertise will ensure the successful and timely completion of this landmark project."

Qatar Chamber discusses strengthening trade co-operation ties with Canada

Qatar Chamber acting general manager Ali Bu Sherbak al-Mansouri during a meeting with Sonja Pandy, commercial counsellor at the Canadian embassy in Qatar, yesterday.

Qatar Chamber acting general manager Ali Bu Sherbak al-Mansouri held a meeting with Sonja Pandy, commercial counsellor at the Canadian embassy in Qatar, yesterday.

The meeting discussed economic and trade relations between the two countries and ways to enhance them, and prospects for co-operation between Qatari and Canadian companies in several sectors, in addition to reviewing the climate and investment incentives available in each aspect.

Al-Mansouri stressed that Qatar and Canada enjoy close relations, noting the presence of many Canadian companies operating in the Qatari market in many sectors, whether with full Canadian capital or in partnership with Qatari partners. He also pointed out that there are many investment opportunities available for co-operation between the business community in both countries, calling on Canadian investors to invest in Qatar, which provides an attractive investment environment, pioneering legislation, and encouraging investment incentives.

Al-Mansouri further stressed Qatar Chamber's readiness to provide all information and data to support and enhance co-operation between Qatari and Canadian companies in all sectors, and assured the importance of enhancing cooperation between the Qatar Chamber and its Canadian counterpart in this regard. Pandy said Qatar and Canada are distinguished partners and have a clear interest and keenness to develop their co-operation relations, underscoring the importance of enhancing rapprochement and co-operation between the Canadian and Qatari private sectors.

She emphasised that there are many investment opportunities available in Canada in the agriculture, natural resources, technology, artificial intelligence, manufacturing, defence, and aviation sectors, among others. She also called on Qatari investors to explore and invest in these opportunities.

Ooredoo Qatar launches eSIM solution to advance IoT connectivity for enterprises

As industries increasingly adopt IoT technologies to drive efficiency and digital transformation, Ooredoo's eSIM solution offers a flexible alternative to traditional SIM cards

Ooredoo Qatar has launched its new eSIM solution for Internet of Things (IoT) devices, developed to support enterprises in simplifying device management, enhancing security, and scaling IoT operations across borders.

As industries increasingly adopt IoT technologies to drive efficiency and digital transformation, Ooredoo's eSIM solution offers a flexible alternative to traditional SIM cards. With QR code-based activation and remote provisioning, the solution eliminates the need for physical SIM swaps, enabling faster deployment and streamlined lifecycle management of connected devices.

Designed for sectors including smart cities, transportation and logistics, healthcare, oil and gas, manufacturing, and utilities, the eSIM solution provides global scalability through multi-network access. Devices can switch between networks and roam internationally, making it ideal for dynamic, high-mobility environments. It also delivers long-term cost efficiency by reducing reliance on physical SIM cards.

One of the key advantages of Ooredoo's IoT eSIMs is their extensive global coverage. With a single eSIM, businesses can seamlessly connect to over 600 networks worldwide, enabling easy deployment of IoT devices virtually anywhere.

In addition to connectivity flexibility, the eSIM solution features robust security protocols aligned with GSMA standards, ensuring data integrity and device authentication across all endpoints.

Thani Ali al-Malki, Chief Business officer at Ooredoo Qatar, said: "With our eSIM offering, customers can reduce complexity, improve security, and expand their IoT operations with greater control and confidence, whether they operate locally or across borders."

BUSINESS

How investors buy gold and what fuels the market as prices break above $4,500

Reuters
London

Gold broke above the $4,500-an-ounce mark yesterday, buoyed by expectations of looser US monetary policy and lingering geopolitical tensions that have driven the price to a string of record highs.

Bullion, a classic safe haven during periods of economic and political uncertainty, touched a record $4,525.19 earlier in the session.

The price has vaulted more than 70% so far this year, its biggest annual rise since 1979, driven by a mix of safe-haven demand, bets on US rate cuts, robust central-bank buying, de-dollarisation trends and ETF buying.

Here are some ways to invest in gold:

SPOT MARKET: Large buyers and institutional investors usually buy gold from big banks. Prices in the spot market are determined by real-time supply and demand dynamics.

London is the most influential hub for the spot gold market, largely because of the London Bullion Market Association. The association sets standards for gold trading and provides a framework for the over-the-counter market, facilitating trades among banks, dealers, and institutions.

China, India, the Middle East and the US are other major gold trading centres.

FUTURES MARKET: Investors can also get exposure to gold via futures exchanges, where people buy or sell a particular commodity at a fixed price on a particular date in the future.

COMEX (Commodity Exchange Inc), part of the New York Mercantile Exchange, is the largest gold futures market in terms of trading volumes.

The Shanghai Futures Exchange, China's leading commodities exchange, also offers gold futures contracts. The Tokyo Commodity Exchange, popularly known as TOCOM, is another big player in the Asian gold market.

EXCHANGE-TRADED PRODUCTS: Exchange-traded products or exchange-traded funds issue securities backed by physical metal and allow people to gain exposure to gold prices without taking delivery of the metal itself.

Inflows into physically backed gold exchange-traded funds totalled $64bn year-to-date as of October, according to World Gold Council data, with a record $17.3bn added in September alone.

BARS AND COINS

Retail consumers can buy gold from metals traders selling bars and coins in a shop or online. Gold bars and coins are both effective means of investing in physical gold.

INVESTOR INTEREST AND MARKET SENTIMENT: Rising interest from investment funds in recent years has been a major factor behind bullion's price moves.

Sentiment driven by market trends, news and global events can fuel speculative buying or selling of gold.

FOREIGN EXCHANGE RATES: Gold is a popular hedge against currency market volatility. It has traditionally moved in the opposite direction to the US dollar, since weakness in the US currency makes dollar-priced gold cheaper for holders of other currencies and vice versa.

MONETARY POLICY AND POLITICAL TENSIONS: The precious metal is widely considered a safe haven during times of uncertainty.

US President Donald Trump's trade tariffs have sparked a global trade war, rattling currency markets.

The policy decisions of global central banks also influence gold's trajectory. Lower interest rates reduce the opportunity cost of holding gold since it pays no interest.

CENTRAL BANK GOLD RESERVES: Central banks hold gold in their reserves. Central-bank demand has been robust in recent years because of macroeconomic and political uncertainty.

More central banks plan to add to their gold reserves within a year despite high prices, the World Gold Council said in its annual survey in June.

Global gold demand rose 3% year-on-year to 1,313 metric tons in the third quarter of 2025, the highest quarterly total on record, as investment demand surged, the World Gold Council said in late October.

China kept adding gold to its reserves, with its holdings totalling 74.12mn fine troy ounces at the end of November from 74.09mn at the end of October, extending its buying spree for the 13th month in a row.

Russia's LNG exports to China rise to record, surpassing Australia

Bloomberg
London

Russia's liquefied natural gas (LNG) exports to China surged to a record in November, as buyers shrugged off the risk of western sanctions to access the cheaper fuel.

Deliveries of the super-chilled gas from Russia more than doubled from a year earlier to 1.6mn metric tonnes last month, customs data released over the weekend showed. The jump saw Russia overtake Australia to become China's biggest supplier after Qatar.

Russia has turned to Asia's biggest gas market to offset declining shipments to Europe, which was Moscow's biggest buyer for decades until the invasion of Ukraine. It has had to cut prices to increase its appeal — its LNG was the cheapest among the 12 suppliers to China and about 10% below the average at $9.85 a million British thermal units in November, the customs data showed.

Total imports had an annual increase for the first time in more than a year, after weak demand tempered requirements.

China in August started importing shipments from Russia's sanctioned Arctic LNG 2 plant through its remote Beihai terminal. Nevertheless, the Russian facility has had to cut output as winter ice complicates exports.

China hasn't imported US LNG since February, partly because of trade conflicts and weak demand. Major domestic companies are also increasingly diversifying their sources, while trying to sell contracted volumes on global markets, which is easier for American contracts that don't tend to have destination clauses.

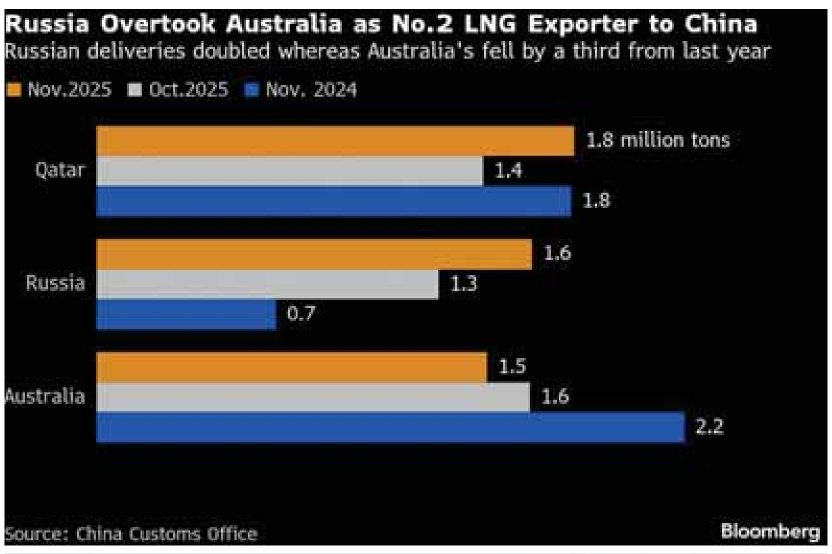
Meanwhile, China's domestic LNG prices fell to a five-year low as inventories grew and demand for heating during winter months remained short of expectations.

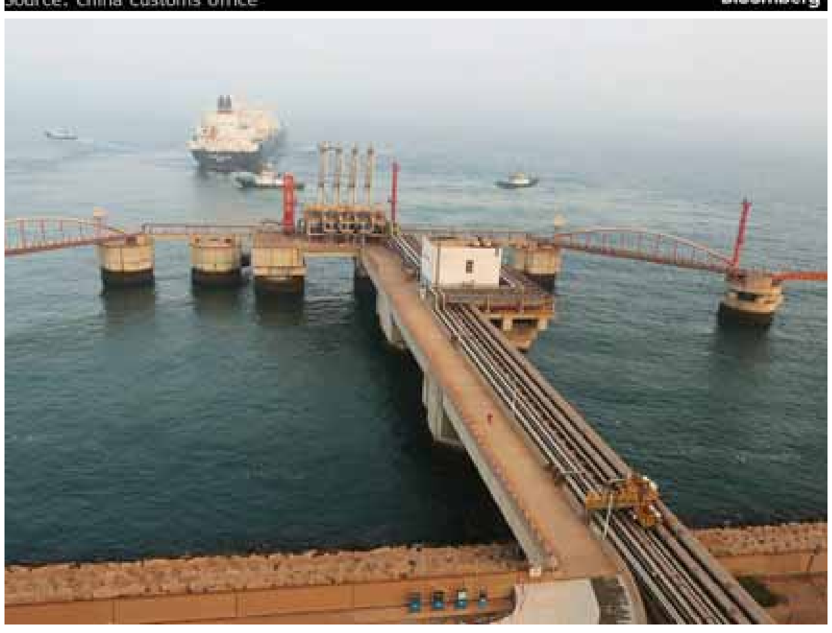
The domestic wholesale LNG price at key importing terminals dropped below 3,500 yuan per tonne ($10.72 per million British thermal units) this week, marking the lowest since mid-2021, according to data from SCI99, a Chinese commodities pricing agency.

This marks a significant departure from typical winter patterns, where prices usually rise on higher heating demand. This year, mild temperatures and a faltering industrial and economic recovery have dragged domestic LNG prices lower.

At the same time, inventories have grown as incoming shipments of seaborne LNG began recovering in November after a year-long slump, though cumulative volumes remain below last year's level. Imports of piped gas have also been increasing, according to official customs data. Terminal operators have been forced to sell off stockpiles at lower prices as tanks were 73% full as of December 19, SCI99 said.

"Price may remain low through the month," Wang Ran, an analyst with SCI99, wrote in a note.




A liquefied natural gas tanker leaves the dock after discharging at PetroChina's receiving terminal in Dalian, Liaoning province, China. The country hasn't imported US LNG since February, partly because of trade conflicts and weak demand.

Saudi venture capital firms seen to bet on M&A as listings get tougher

Bloomberg
Riyadh

Saudi Arabian venture capital firms expect more mergers and acquisitions in the startup space, as stock market weakness and higher valuation scrutiny make initial public offerings less appealing.

Investors want exposure to fast-growing companies, but without the volatility that comes with public markets, said Abdullah Altamami, founder and chief executive officer of Merak Capital. "Buyers are more interested in companies before they go public, because once they go public, they're more expensive."

As a result, M&A and secondary transactions are set to account for a greater share of exits in the kingdom if conditions remain tight, Altamami said. Merak Capital, which manages about $800mn, expects five to 10 liquidity events across its portfolio over the next 12-24 months, spanning IPOs, acquisitions and secondary deals.

The shift comes as Saudi Arabia's startup ecosystem matures under Vision 2030, the government's push to diversify the economy beyond oil. Venture firms have backed companies across sectors including gaming, fintech, cybersecurity, tourism and fashion.

But public markets have come under pressure this year. The Saudi benchmark index is among the worst performers in emerging markets, and while IPO proceeds have held steady at around $4bn, several recent listings have struggled.

Meanwhile, the Middle East became the leading M&A destination across emerging venture markets in the first nine months of the year, with 26 deals, according to data platform Magnitt.

Against that backdrop, acquisitions and secondary sales are emerging as a quicker, more dependable route to returns.

"The market is reaching a level of maturity where more M&A opportunities will surface," said Basmah Alsinaidi, managing partner and vice chair at Impact46. She expects activity to be driven both by technology companies seeking scale and by traditional businesses looking to add digital capabilities.

Impact46 has backed firms including Jahez International Co and Rasan Information Technology Co that have listed on Saudi exchanges in recent years. Its portfolio also includes Lucidya, a customer experience management platform, and Tamara, which became a unicorn — a startup valued at more than $1bn — in 2023.

KKR inks private credit deal with utility giant Acwa, marking Saudi debut

Bloomberg
Riyadh

KKR & Co is providing private credit financing to a desalination plant in Saudi Arabia, marking the alternatives giant's first foray into the kingdom and highlighting the region's growing appeal to global investors.

The buyout firm will come in as an anchor lender in a long-term financing deal for a desalination facility majority owned by Acwa Power Co. The Saudi utility, backed by the Public Investment Fund and listed in the kingdom, is largely responsible for delivering water to the Makkah region.

The deal caps a busy period for KKR in the Middle East, where it has invested about $2bn over the past ten months.

This year alone, the firm bought a slice of Abu Dhabi National Oil Co's gas pipeline network, a stake in one of the largest Gulf data centre firms and agreed to invest $220mn in a regional provider of data, analytics and risk management solutions for quantitative investing.

The company's presence in Saudi Arabia dates back to 2014, and its debut deal in the kingdom comes amid a rise in transactions involving foreign institutions in the wider region. Other firms including Brookfield Asset Management have also earmarked the Middle East for expansion as returns in other markets diminish.

"Our investment reflects KKR's broader ambition to scale our presence across the kingdom, deepen partnerships with leading corporates, and deploy capital behind essential infrastructure that contributes to long-term, sustainable growth," said Julian Barratt-Due, KKR's head of Middle East investing.

The desalination deal also reflects growing appetite for private credit, particularly in Saudi Arabia, where liquidity in the banking system has been drained by the kingdom's ambitious economic diversification projects.

There are signs of interest in other cities too. Ares Management last week unveiled the latest private credit investment by an international alternatives firm, providing a $100mn facility to a Dubai-based multifamily office.

BP to sell 65% stake in Castrol to Stonepeak for $6bn

Reuters
London

BP has agreed to sell a 65% stake in its Castrol lubricants business to US private equity firm Stonepeak for about $6bn, a significant step in the oil major's $20bn divestment plan aimed at cutting debt and boosting returns.

The deal, announced yesterday, values Castrol at $10.1bn, and marks the British company's most ambitious asset sale so far in its efforts to streamline operations and scale back its renewable energy investments after years of lagging rivals in share performance.

BP will retain a 35% stake in a new joint venture with Stonepeak, which it can sell after a two-year lock-in period.

While the deal values Castrol at about $10bn, the enterprise value falls to roughly $8bn after adjusting for minority interests and debt-like obligations, RBC analysts said in a note on Wednesday.

"We continue to question the rationale (beyond the headline multiple) of selling this highly cash generative, low volatility and low capital intensity asset, as ultimately this is detrimental to the long term dividend sustainability and earnings quality of the business," RBC analysts said in the note. "Accelerated dividends now will help reduce debt, but clearly at the expense of medium term cash flows."

The deal, announced yesterday, values Castrol at $10.1bn, and marks the British company's most ambitious asset sale so far in its efforts to streamline operations and scale back its renewable energy investments after years of lagging rivals in share performance

The sale, which includes $800mn for accelerated dividend payments, comes after BP put the century-old lubricants unit under review earlier this year as part of a broader strategy to focus on its core oil and gas business.

BP will use the sale proceeds to reduce debt, it said. BP expects the deal to complete by the end of 2026, it said.

The oil major has vowed to sell $20bn worth of assets to help slash its net debt from $26bn to between $14bn and $18bn by the end of 2027. After the Castrol deal, BP's completed and announced divestment proceeds total around $11bn.

In a separate statement, Stonepeak said the Canada Pension Plan Investment Board will invest up to $1.05bn as part of the deal and gain an indirect stake in Castrol.

Stonepeak, an infrastructure-focused private equity firm, has investments in hard assets such as energy businesses and real estate and seeks assets that offer growth over the long-term.

Private equity buyers have around $2tn in capital raised from investors and not committed to specific investments that they are keen to deploy, according to S&P Global.

Recently private equity firms have focused on divestments by conglomerates looking to focus on their core businesses.

Bloomberg QuickTake Q&A

The world needs a lot more copper: But will there be enough supply?

By James Attwood

Copper is one of the world's most ubiquitous metals, used in just about everything that's electrified: smartphones, refrigerators, electric vehicles, power grids and much more.

It's a crucial material for the green technologies that can lower global carbon emissions, as well as the data centres at the heart of the artificial intelligence boom. But while demand for copper is growing, it's far from certain that there will be enough supply amid recent production disruptions and the difficulties in building new mines and expanding existing operations.

The market has been hit by a slew of mine outages this year from Chile to Indonesia. Lingering fears that President Donald Trump will impose tariffs on refined products have also driven stockpiling in the US, draining inventories elsewhere. A blistering late-year rally has pushed copper prices to records and put the metal on track for its biggest annual gain since 2009.

What's driving demand for copper?

The near-term outlook for copper demand growth has been clouded by weakness in China, the world's top consumer of the red metal. The country's property market has been stuck in a years-long downturn that's dented the need for copper plumbing and wiring, while consumer spending has been sluggish, weighing on appetite for finished goods such as electronic appliances.

Nonetheless, robust momentum in global copper demand is expected over the long term. BloombergNEF estimates consumption could increase by more than a third by 2035 in its baseline scenario.

The drivers of this trend include the ongoing shift to cleaner energy sources such as solar panels and wind turbines, growing adoption of electric vehicles and the expansion of power grids. EVs can require more than three times as much copper as a gasoline- or diesel-powered equivalent, according to the Copper Development Association.

There's also the proliferation of data centres for AI that's just beginning. Copper is a vital part of the servers, cooling systems, power connections and numerous backup components designed to minimise downtime. AI data centres are more dense and energy-intensive than traditional facilities and can use four times as much copper, according to TCu29, a provider of copper-backed digital tokens.

Will there be enough copper?

The copper market is anticipated to enter a supply deficit over the next decade, potentially as soon as 2026, BloombergNEF estimates.

Several large copper mines faced operational setbacks in 2025, and a number of mining companies have lowered their production guidance. Within just a few months, seismic activity triggered flooding at Ivanhoe Mines Ltd's Kamoa-Kakula complex in the Democratic Republic of the Congo and a deadly tunnel collapse at Codelco's El Teniente mine in Chile. In Indonesia, Freeport-McMoRan Inc's Grasberg copper mine — the second-largest in the world — was hit by a deadly mudslide.

Those setbacks have exacerbated the pressure on copper smelters. For years, smelting capacity, particularly in China, has expanded faster than miners' output, eroding smelters' already-thin profit margins. The competition is so fierce that smelters looking to buy semi-processed ore on the open market have had to pay for the privilege of smelting it rather than deducting that cost. Should smelters cut their production to stem losses, this could further tighten copper supply.

While more copper is being recycled, this still won't be enough to cover demand, so the only alternative is to dig more out of the ground.

How easy is it to boost copper supply?

There are numerous obstacles to meaningfully boosting output. Because copper is a classic bellwether of the global economy, rising and falling in tandem with industrial production, miners are cautious about ramping up capacity too quickly for fear of getting caught out by a drop in demand.

Added to this is a deeper, more structural problem: New deposits are getting harder and costlier to extract as ore grades fall, meaning more rock needs to be mined to secure the same amount of metal. Growing scrutiny of the environmental impact of copper mining, including water consumption and contamination, is also making it more politically challenging and expensive to develop new projects.

Higher prices could incentivise miners to invest in new assets, but the rate at which new sources of copper are being uncovered is slowing. Of the 239 major deposits discovered between 1990 and 2023, just 14 were found in the final ten years, according to S&P Global analysis. It's taking more time to bring new production capacity online, too. The average lead time from discovery to first output is more than 15 years.

Amid the difficulties in starting new mines from scratch, miners are turning to mergers and acquisitions to expand their portfolios. Anglo American Plc is poised to merge with Canada's Teck Resources Ltd to create a $50bn mining giant. Once they combine, they'll be the world's fifth-largest copper producer, according to Benchmark Intelligence. Both companies have previously been pursued by bigger industry players: Anglo rebuffed another takeover attempt by top miner BHP Group in November, while Glencore Plc unsuccessfully tried to buy Teck two years ago.

Who are the world's top copper suppliers?

Just three countries are responsible for almost 50% of mined copper production: Chile, the DRC and Peru. They typically process much of the ore locally to create a more concentrated product, before exporting this to other nations to be smelted into pure copper.

China only has the world's eighth-largest copper reserves, according to the US Geological Survey, putting it behind leaders in Latin America and even the US. But it's compensated for this by snapping up mines overseas and building out massive smelting capacity domestically. The East Asian nation accounted for more than 40% of global refined copper production in 2024.

China's sway over such a strategic industry has made the US and its allies uneasy, and they're now looking to source and refine more critical minerals at home or in friendlier nations. Much as oil dictated the geopolitics of the last century, access to copper is becoming an economic imperative in this one.

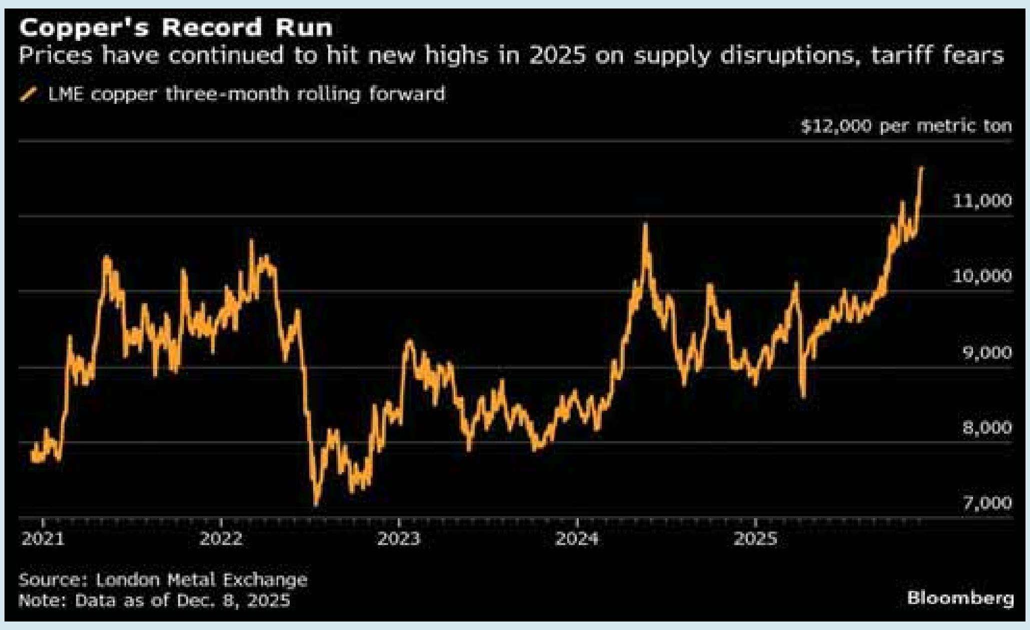
How have US tariffs impacted the copper market?

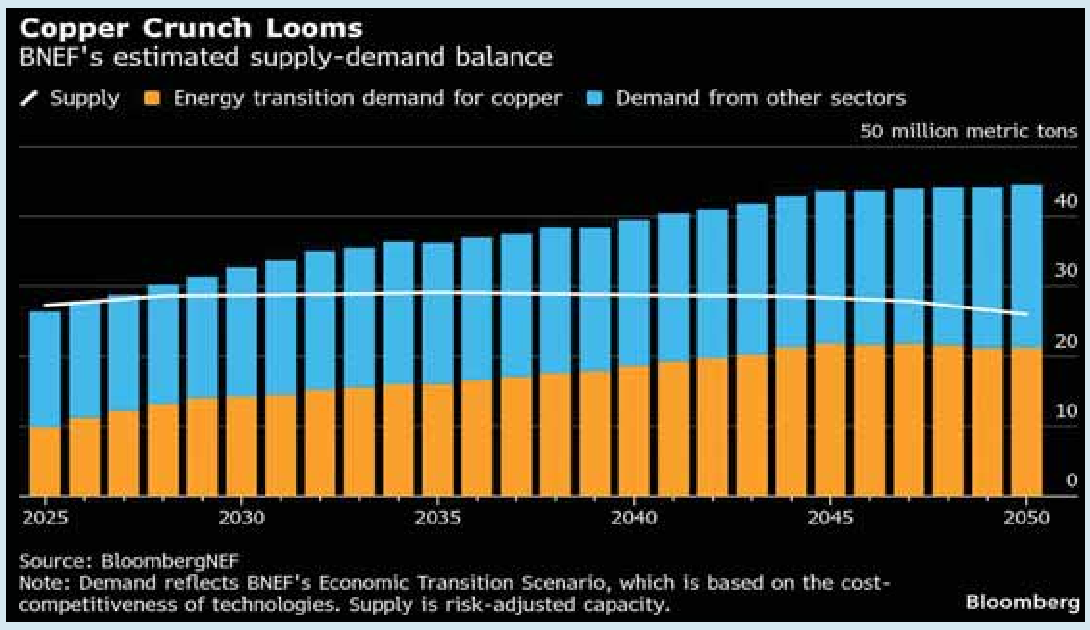
Copper trade flows have been upended since Trump announced plans in February to place import tariffs on the metal in a bid to boost US domestic supply. He unexpectedly spared refined metal, only imposing a 50% duty on semi-finished copper products, such as pipes and wires, and so-called derivative products, such as electrical components, from August. However, Trump said he'd revisit the decision in the second half of 2026. Fears of impending tariffs on commodity-grade forms of copper have once again driven futures prices on New York's Comex above copper prices on other global exchanges, reviving the profitable price gap traders exploited earlier in 2025.

As traders have rushed to capitalise on the premium, huge volumes of the metal have headed to US shores. By early December, Comex copper inventories were almost five times higher than at the start of the year.

Producers have also announced they'll charge record premiums to customers in Europe and Asia in 2026, effectively asking these buyers to compensate them for the additional profits they could make by selling into the US.

Metals trader Mercuria Energy Group Ltd has warned that these trade dynamics could fuel a major global supply squeeze by the first quarter of 2026.





World's busiest flight routes of 2025, explained

By Alex Macheras

The world's busiest airline routes in 2025 offer a sharply defined picture of where aviation demand is most concentrated and how airlines are coping with it. Nine of the ten busiest routes globally are now in Asia-Pacific, underlining how decisively the centre of gravity in air travel has shifted towards high-volume, short-haul markets where scale, frequency, and cost discipline matter more than network prestige.

At the top of the global ranking sits Jeju to Seoul Gimpo, once again the busiest airline route in the world.

With more than 14mn scheduled seats in 2025, this short domestic sector carries close to 40,000 passengers a day. Seven airlines compete on the route, creating one of the most intensely competitive aviation markets anywhere. That competition keeps average one-way fares extremely low, typically under $50, even as fuel and labour costs have risen. The demand is structural. Jeju is an island economy with no surface transport alternative, and aviation functions as essential national infrastructure rather than discretionary travel.

Asia's dominance continues through the rest of the top ten. Routes such as Tokyo Haneda to Sapporo, Tokyo Haneda to Fukuoka, Tokyo Haneda to Osaka Itami, Bangkok to Chiang Mai, and Hanoi to Ho Chi Minh City all reflect the same underlying model. These are dense domestic corridors where aviation absorbs enormous volumes at relatively low yields. Airlines operate high frequency narrowbody schedules, optimise turnaround times, and focus relentlessly on reliability. Asia's short-haul mass market is now the benchmark environment for operational efficiency and cost control globally.

Cross-border Asia remains just as competitive. Kuala Lumpur to Singapore, while not the single busiest route by seat count, continues to exemplify how intense competition suppresses fares even on high-demand international sectors. Multiple carriers operate the route, frequencies are exceptionally high, and average fares remain among the lowest for an international city pair of its scale. Yield is sacrificed in favour of volume, connectivity, and network relevance.

Against this Asia-heavy backdrop, two Middle East routes stand out clearly in the top ten, offering a different but equally instructive dynamic. Cairo to Jeddah now ranks second globally, with 5.8mn seats scheduled in 2025. Capacity on the route is up 5% year-on-year and an extraordinary 71% above 2019 levels. Growth has been driven overwhelmingly by low-cost carriers, which now account for 43% of total capacity and 81% of additional seats added this year. Nine airlines operate the route, highlighting its depth and resilience. Average one-way fares have fallen to around $145, down 12% year-on-year, as competition has intensified. The strength of this corridor reflects the breadth of demand between Egypt and Saudi Arabia, spanning labour travel, business links, religious traffic, and visiting friends and relatives.

The fastest-growing route in the global top ten is fifth-placed Jeddah to Riyadh. Saudi Arabia's flagship domestic corridor is the only route in the top ten outside Asia Pacific. Capacity has increased by 13% year-on-year to 9.8mn seats in 2025, broadly in line with overall domestic growth across the Kingdom. The route now sits 22% above 2019 levels, underlining how rapidly internal aviation demand is scaling. Unlike many high-volume markets, fares here are rising rather than falling. Average one-way economy fares have increased by 27% year-on-year to around $95. That combination of strong volume growth and rising fares signals robust internal demand and growing pricing power on key Saudi corridors.

What makes Jeddah to Riyadh particularly notable is the number of airlines now competing on the route. More than half a dozen carriers operate the sector, yet the market has absorbed capacity without eroding yields. This reflects a structural shift in Saudi Arabia, where aviation is being used deliberately to support economic integration, labour mobility, and national development rather than simply serving point-to-point demand.

The only route in the global top ten that sits outside Asia Pacific and the Middle East is New York JFK to London Heathrow. With around 4.0mn seats scheduled in 2025, capacity is marginally down 1 percent compared with 2024 but remains 4% higher than 2019. Five airlines operate the route, and despite its scale, it remains the highest-yield market in the top ten. Average one-way economy fares sit at approximately $585, up 2% year-on-year. JFK to Heathrow serves as a reminder that premium trunk routes can still sustain strong pricing power even at very high volumes, supported by corporate demand, financial sector travel, and limited slot availability.

The contrast between JFK to Heathrow and Asia's short-haul giants is stark. In Asia, the dominant model is huge volume, low fares, and relentless competition. In the North Atlantic, scarcity, slot control, and premium demand still underpin yield. Both models co-exist within the top ten, but they operate on fundamentally different economic logic.

Taken together, the busiest routes of 2025 show how aviation has adapted to sustained demand rather than episodic surges. Airlines on these corridors are not chasing growth for its own sake. They are refining schedules, tightening operations, and balancing fares against reliability. Where competition is intense, fares remain low and volumes do the work. Where capacity is constrained or demand structurally strong, pricing power has returned.

For reference, the full top ten busiest routes in 2025 per OAG data are: 1. Jeju (CJU) to Seoul Gimpo (GMP), 2. Cairo (CAI) to Jeddah (JED), 3. Tokyo Haneda (HND) to Sapporo (CTS), 4. Tokyo Haneda (HND) to Fukuoka (FUK), 5. Jeddah (JED) to Riyadh (RUH), 6. Melbourne (MEL) to Sydney (SYD), 7. Hong Kong (HKG) to Taipei (TPE), 8. Tokyo Haneda (HND) to Osaka Itami (ITM), 9. Bangkok (BKK) to Chiang Mai (CNX), and 10. Hanoi (HAN) to Ho Chi Minh City (SGN).

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Global SAF supply falls short of aviation's climate needs

By Pratap John

Sustainable Aviation Fuel (SAF) production hasn't scaled fast enough to the optimum level the industry and climate goals require — even though SAF is widely seen as a key tool for reducing aviation emissions.

SAF production has grown substantially from very low levels, but it still represents only a tiny fraction of total jet fuel demand globally. Currently, SAF production is well under 1% of the total jet fuel demand and expected to fall short of long-term targets.

SAF production growth is projected to slow down and reach 2.4mn tons in 2026 as poorly designed mandates seem to have stalled momentum in the fledgling SAF industry.

In 2025, SAF output is expected to reach 1.9mn tonnes, double the 1mn tons produced in 2024.

SAF production this year represents only 0.6% of total jet fuel consumption, increasing to 0.8% in 2026, according to the International Air Transport Association (IATA).

At current price levels, the SAF premium translates into an additional $3.6bn in fuel costs for the industry in 2025. The estimated SAF output for 2025 of 1.9mn tons is a downward revision from IATA's earlier forecasts due to lack of policy support to take full advantage of the installed SAF capacities.

SAF prices exceed fossil-based jet fuel by a factor of two, and by up to a factor of five in mandated markets.

IATA Director General Willie Walsh noted, "SAF production growth fell short of expectations as poorly designed mandates stalled momentum in the fledgling SAF industry. If the goal of SAF mandates was to slow progress and increase prices, policymakers knocked it out of the park.

"But if the objective is to increase SAF production to further the decarbonisation of aviation, then they need to learn from failure and work with the airline industry to design incentives that will work."

The cumulative impact of poorly designed policy frameworks is that airlines paid a premium of $2.9bn for the limited 1.9mn tons of SAF available in 2025. Of this, $1.4bn reflects the standard SAF price premium over conventional fuel.

"Europe's fragmented policies distort markets, slow investment, and undermine efforts to scale SAF production. Europe's regulators must recognise that its approach is not working and urgently correct course. The recent European Commission STIP announcement is a step forward though it lacks a clear timeline. Actions, not words, are what matter," said Walsh.

The failure to accelerate the expansion of SAF production capacity will cause many airlines to review their own SAF targets.

"Regrettably, many airlines that have committed to use 10% SAF by 2030 will be forced to reevaluate these commitments. SAF is not being produced in sufficient amounts to enable these airlines to achieve their ambition. These commitments were made in good faith but simply cannot be delivered," said Walsh.

EU's STIP (Sustainable Transport Investment Plan) announcement in aviation, unveiled in November, is a €2.9bn strategic plan to accelerate investment in renewable and low-carbon fuels (like SAFs) to meet its decarbonisation targets

Industry analysts say SAF is much more expensive than conventional jet fuel — typically 2–5 times higher per unit. This price gap makes airlines hesitant to buy large amounts because they operate on very slim profit margins.

Many producers struggle to make SAF financially viable without long-term contracts or government incentives. Airlines often don't commit to large long-term purchase agreements, which in turn makes financiers and producers reluctant to invest in scaling up capacity.

Traditional SAF pathways like Hydroprocessed Esters and Fatty Acids or HEFA (from used cooking oil and animal fats) rely on limited feedstocks that are also used in other industries (like road biofuels). The global availability of these sustainable feedstocks is constrained.

Alternative feedstocks such as agricultural residues, municipal solid waste or algae have potential, but require new logistics, processing technologies, and infrastructure — which are not yet mature or widely deployed, analysts point out.

SAF production isn't scaling optimally yet because of various economic, technical, logistical, regulatory, and supply-chain barriers. The industry is still emerging from very low starting levels, and while capacity is growing, it remains too small and too costly vis-a-vis the global jet fuel market.

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Workers connect a Total tanker truck to an Airbus A350 passenger plane, operated by Air France-KLM, during fuelling with sustainable aviation fuel, at Charles de Gaulle airport in Roissy, France. SAF production hasn't scaled fast enough to the optimum level the industry and climate goals require, even though SAF is widely seen as a key tool for reducing aviation emissions.

China's Comac on track to miss C919 delivery target by half

Bloomberg
Shanghai

Commercial Aircraft Corp of China Ltd (Comac) is set to miss a revised delivery target for its marquee C919 single-aisle jet, dealing a blow to its global ambitions after trade war-induced headwinds helped hamper production.

China's answer to Airbus SE and Boeing Co had shipped just 13 of its flagship C919 aircraft in the year through December 22, data from aviation consultancy Cirium and Planespotters.net show. That matches the same number of C919s it handed airlines in 2024.

Comac, as it's known, slashed its annual delivery target to 25 aircraft from 75 earlier this year, Bloomberg has reported — but is still on track to fall well short. With just days left in 2025, the planemaker is set to miss even the revised goal by almost 50% — and the original target by more than 80% — barring a late surge in deliveries.

Among expected recipients of the C919, China's three largest carriers — Air China Ltd, China Southern Airlines Co and China Eastern Airlines Corp — planned to induct a combined 32 aircraft, according to their 2024 annual reports. So far, they've received a dozen, according to the data.

Comac didn't respond to a faxed request for comment on its total number of deliveries. Air China, China Southern and China Eastern didn't reply to requests for comment.

The potential miss comes as Comac last month received a boost from several state-owned shareholders, injecting 44bn yuan ($6.3bn) into the planemaker, according to data from Chinese corporate registry platform Tianyancha that was cited by local media. The cash would enable Comac to scale up and boost production.

Comac said as recently as a supplier conference in March 2025 that it planned to raise capacity output next year to make 100 of the aircraft. That will be followed by 150 in both 2027 and 2028, and then 200 annually by 2029, the company said.

But challenges this year hurt capacity, notably difficulties receiving a steady flow of parts for new aircraft — including engines from CFM International, a joint venture between GE Aerospace and France's Safran SA, that were subjected to a US export ban. Comac depends on those engines for the C919, and also uses GE engines for its smaller C909 regional jet.

Comac C919 aircraft operated by China Eastern Airlines on the tarmac at Hongqiao International Airport in Shanghai. Comac is set to miss a revised delivery target for its marquee C919 single-aisle jet, dealing a blow to its global ambitions after trade war-induced headwinds helped hamper production.

Ryanair climbs past no-frills peers with tight cost control

Bloomberg
Dublin

In a year of restrained economic optimism in Europe, investors flocked to a no-frills airline known for its cost control and focus.

Ryanair Holdings Plc's stock climbed 55% this year, making it the best European performer in the Bloomberg World Airlines Index after Norwegian Air Shuttle AS. The Irish carrier has flown past peers due to its operational efficiency and earnings growth, underpinned by a €750mn ($881mn) share buyback.

The sector index has jumped 22% this year, on track for its best performance since 2017. Europe's long-haul specialists Air France-KLM, Deutsche Lufthansa AG and British Airways parent IAG SA all advanced, while the continent's other leading budget carriers, such as EasyJet Plc, Wizz Air Holdings Plc and Jet2 Plc, declined.

Even with Ryanair's shares trading near record highs, analysts remain optimistic, with 17 buy ratings on the stock, compared with just five holds and a single sell recommendation.

"It's got a singular focus and execution of its business model with a long established management team, and driven by having the lowest cost base, and possibly the strongest balance sheet as well," said Stephen Furlong, an analyst at Davy.

Weak comparisons with the previous year helped boost its stock performance. Delayed aircraft deliveries from Boeing Co strained capacity growth throughout 2024 while a battle with third-party online travel agencies forced the carrier to cut prices, hitting revenues during the busy summer season. As for 2025, a revival in travel demand led Ryanair to more than double its net income in the first quarter. The airline has since lifted its passenger growth for the year ending in March off the back of early Boeing deliveries.

Ryanair has been able to allocate aircraft to favourable markets when needed, both as a protest to environmental taxes and fees and as a way to maximise efficiency.

Technical factors, including a change to ownership and control rules, were also constructive. In March, the company allowed non-EU nationals to own shares. Investors who had previously been holding American depositary receipts were incentivised to buy the ordinary share, boosting liquidity and more efficient buying, according to Barclays Plc analyst Andrew Lobbenberg.

These tailwinds came as EasyJet struggled to keep costs down, Jet2 warned of uncertain consumer demand and Wizz Air grappled with Pratt & Whitney engine maintenance issues that led to the company ceasing its Abu Dhabi operations. On the other hand, Norwegian Air recovered from Covid-era restructuring with strong profits and issued its first ever dividend, boosting its shares.

Ryanair's biggest challenges include rising unit costs and the threat of increased levies on flying in Europe versus other forms of transport, such as rail, which could dampen demand from the airline's cost-conscious customers.

On the upside, Ryanair is expected to receive delivery of the remaining six Max 8 aircraft it ordered before summer, allowing the airline to grow its network ahead of the peak travel period.

"We have a much better unit cost discipline and I think our fares will trend up," Ryanair Chief Executive Officer Michael O'Leary said on November 3. He warned that European peers including EasyJet, Lufthansa and Air France-KLM "have no future unless they constrain capacity and get airfares up for the next year or two."

Passengers board an aircraft, operated by Ryanair Holdings, at London Stansted Airport. Ryanair's stock climbed 55% this year, making it the best European performer in the Bloomberg World Airlines Index after Norwegian Air Shuttle.