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Airlines raise concerns as Middle East conflict lifts fuel costs, disrupts flights

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Aramco CEO warns of oil market catastrophe in prolonged Iran war

IQ outlines QR10.5bn capital expenditure plan for 2026-30

By Santhosh V Perumal
Business Reporter

Market heavyweight Industries Qatar (IQ), which at present has scaled down operations, has outlined a planned capital expenditure (capex) of QR10.5bn for the next five years.

The capex includes the remaining portion related to the new ammonia train (Qafco-7), amounting to QR0.7bn, and IQ's share of capex in the new PVC project, amounting to about QR50mn, IQ - the holding entity of Qatar Petrochemicals, Qatar-Fertiliser and Qatar Steel - said in its board report submitted before shareholders at the annual general assembly meeting.

Looking ahead, the petrochemical segment is expected to invest QR2.7bn in various projects over the next five years. According to the capex plan, about QR50mn will be allocated to additional capital expenditure for the new PVC project expected to be operational in 2026.

Other projects will focus on operations (HSE (health, safety and environmental), plant reliability, and integrity) and maintenance shutdowns.

These initiatives will enhance facilities' operational integrity, reliability and output, reduce emissions, ensure regulatory compliance, and improve operating cash flows through added efficiencies.

For the fertiliser segment, in terms of capex over the next five years (2026-2030), it is expected to incur about QR7bn in various projects, including remaining spend on Qafco-7.

As per the indicative capex plan, about QR0.7bn in capital expenditure will be further invested in the new ammonia train. In addition, other expenditures will include maintenance related shutdowns, investment projects, HSE-related projects, and other capex programmes.

The Qafco-7 project has reached final phase of construction and is nearing completion. The project is expected to be commercially launched in the first half of 2026.

The available sellable volumes from Qafco-7 (1.2mn tonnes per annum capacity) will be sold as low-carbon ammonia in the commercial market in collaboration with QatarEnergy Renewable Solution (QERS), once the carbon capture and storage (CCS) is completed.

Conventional grey ammonia will be sold until the construction of the CCS is completed.

The group's indirect joint venture, QVC's new PVC project, has now been completed with investment costs exceeding $300mn at the project level, including owner's cost, to produce 350,000 MTs of PVC products.

The project is expected to be operational during 2026.

This investment underscores the group's commitment to diversifying its downstream operations and reducing import dependency on PVC in Qatar.

The group will also continue to invest on its core recurring capex programmes, which are critically important for improving asset integrity, operational efficiency, reliability, cost optimisation, capacity de-bottlenecking, HSE enhancement, environmental sustainability, and regulatory compliance.

During the financial year 2025, the group invested QR2.2bn in capex, primarily directed towards turnaround activities, reliability enhancements, HSE projects, as well as ongoing investments in the new blue ammonia train (Qafco-7) and the PVC project.

Capital expenditure for Qafco-7 during the year amounted to QR0.9bn, while an additional QR128mn was allocated to the PVC project.

To date, cumulative spending on Qafco-7 stands at QR3.7bn, and QR0.4bn on the PVC project.

Over the next five years (2026-30), the steel segment is expected to incur about QR0.8bn in various projects, including asset replacements, HSE and reliability improvements.

Al-Kaabi meets European Commission energy director general

The Minister of State for Energy Affairs HE Saad bin Sherida al-Kaabi held a virtual meeting yesterday with Ditte Juul-Jorgensen, director general for Energy at the European Commission. Discussions during the meeting dealt with the impact of the ongoing regional conflict on the global energy industry and ways to ensure the security of energy supplies. HE al-Kaabi underlined Qatar's commitment to remain a reliable energy supplier and looked forward to continuing and strengthening its long-standing energy cooperation with the EU. On her part, Juul-Jorgensen expressed the EU's solidarity with Qatar in light of the current regional tensions and reaffirmed the importance it attaches to the stability and security of global energy supply.

QSE tracks global cues as index zooms 260 points; M-cap adds QR17.33bn

By Santhosh V Perumal
Business Reporter

An across the board buying lifted the 20-stock Qatar Index 2.5% to 10,670.23 points, recovering from an intraday low of 10,431 points.

Tracking global cues, the Qatar Stock Exchange yesterday saw its key index surge 260 points and capitalisation add in excess of QR17bn.

An across the board buying lifted the 20-stock Qatar Index 2.5% to 10,670.23 points, recovering from an intraday low of 10,431 points.

The telecom, industrials and banking counters witnessed higher than average demand in the main market, whose year-to-date losses truncated to 0.86%.

About 85% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR17.33bn or 2.81% to QR634.9bn mainly on account of large and midcap segments.

The Gulf institutions' substantially weakened net profit booking had its influence on the main market, whose trade turnover and volumes were on the rise.

The local retail investors continued to be bullish but with lesser intensity in the main bourse, which saw as many 8,674 exchange traded funds (sponsored by AlRayan Bank and Doha Bank) valued at QR0.05mn trade across 13 deals.

The foreign institutions' lower net selling had its impact on the main market, which saw no trading of sovereign bonds.

The Islamic index rose slower than the other indices of the main bourse, which saw no trading of treasury bills.

The Total Return Index gained 2.84%, the All Share Index by 2.77% and the Al Rayan Islamic Index by 2.33% in the main bourse.

The telecom sector index soared 3.74%, industrials (3.19%), banks and financial services (3.06%), consumer goods and services (1.99%), transport (1.54%), real estate (0.35%) and insurance (0.2%).

As many as 45 gained, while only eight declined in the main market.

Major movers in the main market included QLM, Estithmar Holding, Meeza, Industries Qatar, QNB, AlRayan Bank, Dukhan Bank, Inma Holding, Baladna, Qamco, Ezdan, Mazaya Qatar, Ooredoo, Vodafone Qatar, Nakilat and Gulf Warehousing.

In the juniour bourse, Techno Q saw its shares appreciate in value.

Nevertheless, Doha Insurance, Al Khaleej Takaful, Qatar Insurance, Al Mahhar Holding and Dlala were among the shakers in the main market.

The foreign institutions' net selling decreased noticeably to QR56.11mn against QR68.51mn the previous day.

The Gulf funds' net profit booking shrank significantly to QR9.79mn compared to QR64.66mn on March 9. However, the local individuals' net buying weakened drastically to QR50.21mn against QR69.89mn on Monday.

The domestic institutions' net buying decreased considerably to QR9.2mn compared to QR49.48mn the previous day.

The foreign retail investors' net buying fell perceptibly to QR4.38mn against QR5.83mn on March 9.

The Arab individual investors' net buying weakened markedly to QR1.07mn compared to QR6.62mn on Monday.

The Gulf individuals' net buying eased marginally to QR0.82mn against QR0.89mn the previous day.

The Arab institutions' net buying also fell marginally to QR0.22mn compared to QR0.45mn on March 9.

The main market saw a 4% jump in trade volumes at 194.38mn shares and 9% in value to QR543.55mn but on a 12% shrinkage in deals to 30,907.

In the venture market, a total of 0.02mn equities valued at QR0.03mn changed hands across eight transactions.

US raises 2027 oil output forecast after prices soar on Iran war

The US raised its forecast for domestic oil production next year after the recent surge in prices due to supply disruptions from key Middle East countries.

US crude output is now expected to grow by 220,000 barrels a day in 2027 to 13.83mn barrels a day, according to the Energy Information Administration's Short-Term Energy Outlook released on Tuesday, reports Bloomberg.

The new forecast represents an increase of about 500,000 barrels from the agency's previous projection made in February. That report showed US production was on course to peak this year and then decline in 2027.

"Because changes in oil prices take time to affect production—moving from investment decisions to rig deployment to well completion and first oil—the effect of higher prices in our forecast is more pronounced in 2027 than in 2026," the EIA said in its latest report.

The US and Israel began strikes on Iran late last month, triggering widespread retaliatory attacks from Tehran and the effective closure of the Strait of Hormuz, a critical waterway that normally handles a fifth of global oil flows. Production cuts are rippling across the region as storage capacity fills up.

Chamber discusses challenges facing businesses under current circumstances

Qatar Chamber announced yesterday that it continues to review all issues and challenges facing the business sector under the current circumstances, in line with the directives of its chairman, Sheikh Khalifa bin Jassim al-Thani.

Sheikh Khalifa has directed the formation of a follow-up working team to hold continuous meetings throughout the day, in person or via video conferencing, to address emerging challenges.

He stressed the chamber's keenness to ensure the uninterrupted flow of supply chains and the availability of goods in the local market, as well as to address any obstacles that may be faced in the commercial and industrial sectors.

In this context, the chamber's sectoral committees hold continuous meetings to discuss the challenges facing various business sectors, in a manner that ensures the continuity of commercial and industrial activities without disruption.

Meanwhile, the Food Security and Environment Committee held a meeting chaired by board member Mohamed bin Ahmed al-Obaidli, who also chairs the committee. The meeting, held at the chamber's Lusail headquarters, was attended by committee members and representatives of 34 food companies.

The meeting discussed challenges and obstacles facing the private sector, particularly those related to supply and supply chains.

Al-Obaidli expressed his sincere thanks and appreciation to His Highness the Amir Sheikh Tamim bin Hamad al-Thani for his wise leadership and continuous support for the private sector.

He also thanked the Qatari Armed Forces for their efforts in defending and safeguarding the security and safety of the country, its citizens, and residents, expressing hope that these circumstances would come to an end soon.

Al-Obaidli also emphasised the chamber's keenness to identify all the challenges facing the private sector and food companies under the current circumstances, and to raise the views of business owners to the relevant authorities to find urgent solutions.

He stressed the vital role played by the private sector during crises faced by the country in ensuring the availability of products and goods in the local market, affirming that it stands by the country with full responsibility.

Al-Obaidli affirmed that the chamber will play an important role during the current situation by cooperating with all parties concerned to facilitate the provision of food supplies in the local market and address any cases of exploitation or price manipulation that may arise among some traders.

He added that there is a joint committee comprising the chamber and several ministries and government entities tasked with monitoring prices and addressing any unjustified increases.

During the meeting, business owners, traders, and suppliers reviewed challenges related to supply chains, shipping fees, customs duties, support for national products, support for local farms, facilitation of land transport, and the provision of raw materials and logistics services.

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani, and board member Mohamed bin Ahmed al-Obaidli.

Estithmar Holding استثمار القابضة

Posting its financial results for the full year ended 31 December 2025

Estithmar Holding Net Profit Surges 122% to QAR 938 Million Revenue Rises 54% to QAR 6.4 Billion

* Compared to the same period last year

Sustainable Growth Driven by International Expansion

Revenue

QAR 6,491Mn
Jan - Dec 2025
4,216 Million QAR | Jan - Dec 2024

54% YoY Growth

Net Profit

QAR 938Mn
Jan - Dec 2025
422 Million QAR | Jan - Dec 2024

122% YoY Growth

EBITDA
Jan - Dec 2025
Million QAR
1,503 102%
742 Million QAR
Jan - Dec 2024

Earnings Per Share
As at 31 Dec 2025
QAR
0.264 145%

Assets
As at 31 Dec 2025
Million QAR
13,859 23%
11,304 Million QAR
31 Dec 2024

Share Performance
سعر السهم
162%
#1 Performing Stock on the Qatar Stock Exchange
FTSE Russell Mid-Cap Index

Apex Health
2,700 Beds
2.8Mn Outpatient Visits

elegancia services
450 Projects Awarded
100Mn Meals Prepared

Estithmar ventures
5.2Mn Al Maha Island visitors
73% Hotels Occupancy

elegancia contracting & industries
262 Contracting Projects Awarded
44Mn Safe Man Hours

Doha, 11 March 2026
Estithmar Holding Q.P.S.C. has announced its financial results for the year ended 31 December 2025. The group reported a 54% increase in revenue to QAR 6.4 billion, compared with QAR 4.2 billion in 2024. Gross profit rose to QAR 2.1 billion, up from QAR 1 billion in 2024, representing growth of 111%. EBITDA reached QAR 1.5 billion, an increase of 102% year-on-year.

Net profit climbed 122% compared with 2024, reaching QAR 938 million. Earnings per share increased by 145% to QAR 0.264.

The growth in net profit was primarily driven by higher revenues, particularly from the specialized contracting and healthcare sectors. The results reflect the group's ability to convert operational growth into sustainable profitability while maintaining financial discipline.

Total assets increased by 23% in 2025 compared with the previous year, largely due to new projects added to Estithmar Holding's portfolio, including Baghdad International Hospital in Iraq.

The Board of Directors has recommended the distribution of dividends equivalent to 20% of the company's share capital, in the form of 2 bonus shares for every 10 shares held.

The 2025 results show a marked improvement across key financial indicators, supported by expansion in the group's core sectors, improved project execution, and enhanced operational efficiency across its businesses. These results demonstrate Estithmar Holding's ability to scale its operations while maintaining financial discipline and strengthening profitability.

Juan Leon - Holding CEO

"Our strong financial performance reflects the successful execution of our growth and expansion strategy across the group's sectors, as well as the considerable efforts of our teams across multiple markets.

Achieving strong growth across all key financial indicators highlights the resilience of our diversified business model and our continued focus on operational excellence, maintaining financial discipline and governance. As we expand our footprint and strengthen our presence in regional markets, we remain committed to delivering sustainable value to shareholders while exploring new growth opportunities.

The group's strong financial position allows us to move forward with upcoming strategic initiatives, while also evaluating potential opportunities in capital markets to support the next phase of the group's expansion"

The specialized contracting group accounted for the largest share of revenue contribution in 2025.

The sector delivered strong activity both locally and regionally, particularly in Saudi Arabia, Syria, Algeria and Iraq. During the year, the industrial and specialized contracting businesses continued to expand, executing major projects across 12 countries. These include large-scale developments such as the Red Sea projects in Saudi Arabia, infrastructure projects in Syria, and several major developments in Qatar, including educational facilities.

During the year, the group secured 262 new contracts, reflecting growing confidence in its companies as partners for the delivery of major projects.

Estithmar Holding's healthcare group, through its subsidiary Apex Health, also continued to deliver sustainable growth, driven by the implementation of its regional hospital management and operations model, including in Iraq and Libya. Within Qatar, the group's hospitals; The View Hospital and the Korean Medical Center continued to build patient trust through adherence to the highest international quality standards and by hosting leading global medical professionals. In 2025, The View Hospital performed more than 100 robotic surgeries.

Services group, particularly companies specializing in facilities management and catering services, also contributed to revenue growth and profitability. Companies within the Group maintained their market leadership by improving operational efficiency, investing in technology, and strengthening customer satisfaction, while also expanding regionally and internationally.

The services group secured more than 450 new contracts in 2025, in addition to maintaining a strong portfolio of ongoing agreements, supported by a customer retention rate of 95%. The group provides a range of services including facilities management, food services and catering solutions, workforce and human resources solutions, and event support services.

Estithmar Ventures, the real estate development and touristic developments group, recorded revenue growth of 99% compared with 2024, driven by strong demand for its developments. These include Al Maha Island, which attracted more than 5.2 million visitors during 2025. The year also saw a strong conclusion to the third season of Lusail Winter Wonderland and a successful launch of its fourth season, with the destination welcoming thousands of residents and visitors to Qatar.

The Group's hospitality portfolio including Katara Hills Resort and Maysan Doha continued to lead the luxury hospitality segment in Qatar throughout the year.

Internationally, construction of the Rixos Baghdad Hotel & Residences continued to progress, alongside increasing sales activity and rising demand from buyers. In addition, the Rosewood Maldives resort project advanced rapidly during the year, with construction progress accelerating towards completion.

The development is expected to become a landmark destination within the Maldives and the global tourism market.

Aramco CEO warns of oil market catastrophe in prolonged Iran war

Bloomberg
Riyadh

Saudi Aramco's chief executive officer warned the impact on global oil markets will be "catastrophic" the longer the disruption from the Iran war drags on.

In his first public comments since the conflict choked Middle East energy shipments, the head of the region's largest oil producer said Aramco can divert more crude to an alternative route that avoids the Strait of Hormuz. Still the company can't export its normal quantities because of capacity constraints.

Saudi Arabia is reducing output by as much as 2.5mn barrels a day, joining United Arab Emirates, Iraq and Kuwait in deepening cuts, Bloomberg reported on Tuesday.

CEO Amin Nasser declined to disclose production levels, but said on a conference call that Aramco was "not utilizing for the time being" some of its heavier oil grades.

"There would be catastrophic consequences for the world's oil market the longer the disruption goes on, and the more drastic the consequences for the global economy," Nasser said. "While we have faced disruptions in the past, this one by far is the biggest crisis the region's oil and gas industry has faced."

Aramco is racing to divert oil from its usual route through Hormuz toward Yanbu on the Red Sea coast. It can pump as much as 7mn barrels a day through a pipeline to the west, and will ramp up to that level in coming days, Nasser said. About 2mn barrels a day of that will go to domestic refineries dotting the Red Sea coast. The company is still exporting refined products like diesel from its western refineries, he said.

Aramco normally exports about 7mn barrels a day of oil. Most of the current exports through the East-West pipeline are its most plentiful Arab Light grade, and some Extra Light, Nasser said.

"So certain areas where we have Medium and Heavy we are not utilizing for the time being because we have adequate capacity to meet our requirements," he said. The company is using its global network, including storage sites outside the kingdom, to meet market needs, he said.

President and CEO of Saudi Aramco, Amin Nasser.

Aramco posts drop in annual profit, announces first buyback

Saudi Arabia's Aramco, the world's top oil exporter, reported a 12% drop in annual profit mainly due to lower crude prices, but announced it would repurchase up to $3bn worth of shares in its first-ever buyback, reports Reuters.

The results were released on Tuesday at a highly volatile time for global oil markets as the US-Israeli war on Iran has led to a near-closure of the Strait of Hormuz and forced several regional producers to curb output.

Aramco Chief Executive Amin Nasser warned of "catastrophic consequences" for the world's oil markets if the conflict continued to disrupt traffic through the vital shipping artery. Aramco, which has been forced to reroute ships to the Red Sea, will conduct the buyback program over the next 18 months. Until now, it has relied on its massive dividend payouts to reward shareholders. It will ultimately sell the repurchased shares back to its employees, CFO Ziad Al-Murshed told analysts on a call.

Aramco reported $93.4bn in net income for 2025, below an LSEG consensus estimate of $95.6bn.

For the fourth quarter, net profit tumbled 20.5% to nearly $17.8bn on higher operating costs, marking its 12th consecutive quarter of year-on-year profit decline. Aramco reported an impairment charge 14.6bn riyals ($3.88bn) on certain domestic and international downstream facilities due to "revised cash flow projections due to changes in market conditions."

It also booked an additional write-down of 4.45bn riyals, "primarily related to the closure of an international downstream facility".

Aramco confirmed paying a base dividend of $21.1bn for the fourth quarter and $219mn in performance-linked dividends, a mechanism calculated based on free cash flow that was introduced following bumper profits following the Ukraine war.

Russia is set for oil revenue surge in coming weeks amid Iran war

Bloomberg
London

Russia is set to be the first big winner from the Middle East war that sent oil prices above $100 a barrel. The gains should soon be reflected in flows to the Kremlin's war chest, after its Black Sea export terminal was repaired following a Ukrainian drone strike.

Moscow is benefiting from the double win of soaring prices for global benchmarks, which also lifted Russian export prices, and the additional benefit of a US tariff waiver that allows Indian refiners to buy Russian crude that's already on tankers.

That measure should help to clear the flotilla of idling tankers full of Russian crude, while further sanctions easing could follow, if flows of Middle Eastern crude through the Strait of Hormuz don't resume soon.

Still, President Vladimir Putin urged Russian energy producers to use the windfall wisely, cautioning that "the current high commodity prices are certainly temporary."

The price gains were more than offset by a slump in flows last week, driven by a week-long halt to shipments from the Sheskharis oil terminal at Novorossiysk on the Black Sea after a Ukrainian drone attack on the night of March 1-2. Flows resumed at the weekend, but too late to prevent a slump in shipments.

In the latest data, Russia's seaborne exports averaged 3.26mn barrels a day in the four weeks to March 8, according to vessel-tracking data compiled by Bloomberg. That's down by about 200,000 barrels a day from the period to March 1 and more than 600,000 barrels a day below the pre-Christmas peak.

The easing of sanctions on Indian refiners led to a number of tankers heading toward the Strait of Malacca to U-turn and steam back toward India. Most of those ships have yet to arrive, so they won't show up in import figures for another week or so.

The backlog of tankers full of Russian crude has been stable at about 140mn barrels since mid-December, up by about 60mn barrels, or around 65%, since the end of August. The amount of Russian oil at sea could fall as quickly as it rose if processors in India snap up the floating barrels, which are ideally placed to offset the loss of short-haul Middle Eastern grades that are stuck in the Arabian Gulf by Iran's effective closure of the Strait of Hormuz.

Private credit alarm bells echo 2007 subprime warnings

By Jamie McGeever
Orlando, Florida

Every financial market crisis is different, but they do rhyme, and parallels are beginning to emerge between the tremors now rippling through private credit and those in US subprime housing that led to the 2007-09 Global Financial Crisis.

This isn't to say a repeat of that historic crash is in the cards. But there is a growing risk that the mounting stress in private credit - scarce or nonexistent liquidity, opaque pricing, and spiking redemptions - could spill over into the public securities markets.

BlackRock, the world's biggest asset manager with some $14tn under management, said on Friday it had limited withdrawals from a flagship debt fund after a surge in redemption requests.

A few days earlier, alternative asset manager Blackstone said it had raised the redemption cap on its BCRED private credit fund to meet record withdrawal requests. The alarm bells at these two behemoths come after a similar event at smaller alternative asset manager Blue Owl last month, and the bankruptcies of U.S. auto-parts supplier First Brands and car dealership Tricolor late last year that prompted JPMorgan Chase CEO Jamie Dimon to warn: "When you see one cockroach, there are probably more."

Investors with a sense of history, or who were around in the 2000s, may think this all sounds a bit familiar. In 2007, BNP Paribas, Bear Stearns and HSBC blocked redemptions from US subprime funds or warned that they were in trouble - a seemingly small risk that metastasised into a global financial meltdown.

Of course, the GFC didn't fully explode until September 2008 when US authorities allowed Lehman Brothers to go under. But the crisis had been building up steadily for at least 18 months, with tremors at those subprime funds offering investors early warnings that trouble was brewing.

The rationale for not letting investors access their own money today is likely similar to the justifications in 2007: Assets have probably fallen significantly in value and thus would need to be sold at a heavy loss; the asset manager may fear triggering a fire sale in other assets to raise the cash being demanded; or the fund may be struggling to unload illiquid assets. Or it may be a bit of all three.

Either way, as was the case with subprime mortgages and related derivatives in 2007, it is hard to know what private credit assets today are truly worth because the market is so opaque and illiquid. When price discovery evaporates, the more bearish assumptions often win out.

Another similarity with subprime in 2007 is that private credit and private markets more broadly are not believed to pose a systemic financial stability risk. As we all know, that turned out to be wishful thinking back then.

Probably, if we're looking at sheer size. The mortgage-backed securities market, the root of the GFC, was worth around $7.2tn in 2007, or 5% of the total value of global securities at the time, according to Investec. The private credit market today is worth around $2tn, less than 1% of all global securities.

On the other hand, like subprime in 2007, private credit today is loosely regulated, certainly relative to traditional bank lenders, meaning its true reach isn't easily ascertained. What's more, ordinary mom-and-pop investors are getting more involved. Retail investors represented 16.6% of holdings in private credit funds at the end of 2024, up from 5.5% in 2020, according to Investec.

Meanwhile, private credit default rates are rising, hitting a record 9.2% in 2025, credit rating agency Fitch Ratings said last week. That's up from the previous record of 8.1% in 2024.

Perhaps ominously, these defaults didn't include any software companies, which have become major private borrowers. The software sector has been hammered this year by fears of artificial intelligence-related disruption, which has slammed shares in private credit giants Blackstone, KKR and Apollo down 30-45% in recent months. The broader risks from private credit seem skewed to the downside.

The US economy is at a delicate juncture, facing a shaky labour market and the fallout from the war in the Middle East, including wild volatility in oil markets and the specter of modern-day "stagflation."

True, the consensus view is that the economy's underlying fundamentals are solid and that private credit isn't large enough or well-integrated enough to torpedo GDP growth or broader asset markets. As strategists at Barclays note, private credit has problems, but they aren't big enough to push the US into recession.

Of course, this is exactly how subprime was viewed in 2007.

To paraphrase Warren Buffett, when the liquidity tide goes out, you see who's been swimming naked. Recent events in the private credit market suggest more funds may soon be exposed.

■ *Jamie McGeever is a columnist for Reuters. The opinions expressed here are those of the author.*

Volkswagen says to cut 50,000 jobs by 2030 as profit slides

AFP
Wolfsburg, Germany

Germany's automotive giant Volkswagen said on Tuesday it would cut 50,000 jobs at home by 2030 as its profit slid to its lowest level in almost a decade. The news comes as the 10-brand group seeks to weather stiff Chinese competition, especially in electric vehicles, US tariffs and high costs.

"In total, around 50,000 jobs are due to be cut by 2030 across the Volkswagen Group in Germany," Volkswagen CEO Oliver Blume said in a letter to shareholders in the firm's annual report.

The group had already struck a deal with unions at the end of 2024 to cut 35,000 jobs by 2030 at its namesake brand as part of wider plans to save 15bn euros a year.

The additional cuts would come from premium brands Audi and Porsche as well as Volkswagen's software subsidiary Cariad, Blume added.

Even before US President Donald Trump slapped tariffs on non-American carmakers last year, Volkswagen was facing the triple whammy of stagnant demand in Europe, the cost of investing in EVs despite patchy demand, and cratering sales in China.

Volkswagen, long the biggest player in the Chinese market, the world's largest, is struggling with fierce competition from local rivals and sales there have slipped behind those of BYD and Geely.

Blume told a press conference that Chinese carmakers eyeing up the European market to export their way out of a fierce price war at home would raise the pressure on Volkswagen.

"We need to prepare ourselves for the fact that we will come under price pressure here," he said. "This is a big incentive for us to work intensively on the cost side." Earnings after tax fell about 44% last year, Volkswagen said, with US tariffs, Chinese competition and a costly revamp of its sportscar-maker Porsche all hitting performance.

Earnings at 6.9bn euros ($8bn) were at their lowest since 2016, when the group took billions in one-off charges due to recalls and legal troubles over cheating on diesel emissions tests.

Global airlines raise fares as Middle East conflict lifts fuel costs

Reuters
London

Australia's Qantas Airways, Scandinavia's SAS and Air New Zealand announced airfare hikes on Tuesday, blaming an abrupt spike in the cost of fuel caused by the Middle East conflict that is rattling global aviation.

Jet fuel prices, which were around $85 to $90 per barrel before US-Israeli strikes on Iran, have soared to between $150 and $200, New Zealand's flag carrier said as it suspended its financial outlook for 2026 due to uncertainty over the conflict.

The war has disrupted a key oil-export corridor, driving up airline costs, pushing fares higher on some routes and deepening concern about a broader hit to global travel.

"Increases of this magnitude make it necessary to react in order to maintain stable and reliable operations," an SAS spokesperson said, adding it had implemented a "temporary price adjustment."

The largest Scandinavian airline last year temporarily adjusted its fuel hedging policy due to uncertain market conditions and said that it had no fuel consumption hedged for the following 12 months.

Several Asian and European airlines, including Lufthansa and Ryanair, have oil hedging in place, securing a part of their fuel supplies at fixed prices.

Finnair, which had hedged over 80% of its first-quarter fuel purchases, warned that even the availability of fuel could be at risk if the conflict dragged on.

"A prolonged crisis could affect not only the price of fuel but also its availability, or temporarily," a Finnair spokesperson said, adding that this was not happening yet. Kuwait, a major jet fuel exporter to north-west Europe, has faced output cuts.

Highlighting the airspace chaos in the Middle East, planes arriving in Dubai were briefly placed in a holding pattern on Tuesday due to a potential missile attack, flight tracking service Flightradar24 said on X. The planes eventually landed.


An Air New Zealand plane is seen taxiing from the international terminal at Sydney Airport. Qantas Airways, SAS and Air New Zealand announced airfare hikes on Tuesday, blaming an abrupt spike in the cost of fuel caused by the Middle East conflict that is rattling global aviation.

Airlines are already adjusting networks and prices in response. Qantas said it was exploring redeploying capacity to Europe as airlines and passengers seek to evade disruptions in the Middle East, while Cathay Pacific said it would add flights to London and Zurich in March as airspace closures and capacity constraints drive up fares on Asia-Europe routes.

Air New Zealand said it has raised fares across domestic, short-haul and long-haul routes, warning that further price or schedule changes may follow if jet-fuel costs remain elevated. Hong Kong Airlines also announced it will increase fuel surcharges by up to 35.2% starting Thursday.

Air India said on Tuesday it would begin a phased increase of fuel surcharges on its domestic and international routes, citing rising jet-fuel prices.

Some European carriers said they saw no immediate need to raise prices. IAG, the owner of British Airways, said it was well hedged for the near term and had no plans to adjust fares. British Airways, however, said it had brought forward the end of its winter-season flights to Abu Dhabi because of the "continuing uncertainty."

Some airline stocks rose as oil prices fell to around $90 a barrel on Tuesday from a high of $119 on Monday after US President Donald Trump said on Monday the war could be over soon.

Most major US airlines no longer hedge their fuel costs, unlike European and Asian carriers that continue to maintain active hedging programs. Fuel is typically their second-largest expense after labour.

Major US carriers are widely expected to update their outlooks ahead of an industry conference next week, but some analysts have already trimmed their profit and capacity forecasts for the current quarter and the full year. Analysts at Melius, for example, have cut their net-income estimates by 10%.

In addition to high fuel costs, tightening airspace also threatens to derail the global travel industry, as pilots reroute to avoid the Middle East conflict and capacity on popular routes fills up.