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Qatar's startup founders have become more diverse and increasingly focused on markets beyond the country's borders, a new ecosystem study has found

Qatar's startup founders growing more diverse, global-focused: Study

By Peter Alagos
 Business Editor

Qatar's startup founders have become more diverse and increasingly focused on markets beyond the country's borders, a new ecosystem study has found.

A decade ago, Qatar's typical tech founder was likely a first-time entrepreneur, often a Qatari national or long-term expatriate inspired by government innovation programmes, with limited exposure to startup culture, according to the 'Qatar Startup Ecosystem Study: A Roadmap for Qatar's Ecosystem Acceleration'.

The profile has now shifted towards a more varied mix that includes young Qatari graduates, mid-career professionals moving from the corporate world into entrepreneurship, and foreign entrepreneurs drawn to opportunities in the country, stated the study.

The study was jointly developed by the US-Qatar Business Council - Doha (USQBC Doha) and the International Finance Corporation (IFC), a member of the World Bank Group, in alignment with Qatar National Vision 2030 and the country's Third National Development Strategy (NDS3).

New founders are also increasingly thinking beyond the domestic market from the outset, a departure from a few years ago when most business plans were built solely around Qatar, the report noted, citing interviews conducted

for the study. "This change is partly out of necessity given the small market size of Qatar but also due to the founders' exposure to regional and international markets."

The presence of international accelerators and events in Qatar also broadens founders' perspectives," the study explained.

It also said, "More founders talk about becoming regional leaders or even targeting international markets early, for example, using Qatar as a base to solve problems in emerging markets broadly, not just locally."

On the education front, Qatar's founders are generally well qualified, with most holding university degrees and a significant number possessing advanced technical qualifications, the study stated.

Specific startup competencies, such as Lean Startup methodologies, product management, and growth hacking, are still being developed among the founder community, though several local initiatives are already addressing this, the report stated.

These include bootcamps on minimum viable product development run by the Qatar Science and Technology Park (QSTP), along with scaling workshops delivered by international mentors through the Alchemist programme, according to the study.

Because Qatar's ecosystem remains relatively young, the collective pool of hands-on startup experience is still building, with areas such as equity

structuring, hiring, and product-market fit validation identified as "common growing pains" that founders are working through as the market matures, the study noted.

The report also pointed to strong underlying confidence among the country's entrepreneurs, noting that mindset metrics from the Global Entrepreneurship Monitor show high opportunity perception and confidence levels among Qatari founders.

Entrepreneurial intentions in Qatar climbed from 47.4% to 60.8%, according to the Global Entrepreneurship Monitor's Qatar National Report 2024/2025 cited in the study.

"Additionally, there is a strong sense of mission among many founders: several startups are directly aligned with national priorities (such as sustainability, sports, and healthcare) and founders exhibit passion for contributing to Qatar's development goals, not just making a profit," the study observed.

As the ecosystem continues to mature, the study projected a growing pool of repeat founders and startup mentors who can pass on lessons from their own entrepreneurial journeys, further building the market's collective experience over time.

"Preserving this momentum through education, mentorship, and cultural support for entrepreneurs is vital. In the meantime, importing expertise via international mentors and involving diaspora entrepreneurs can accelerate the learning curve," the study added.

Opec output jumps in June as Gulf producers begin reviving supply

Opec June output jumps by 3.3mn bpd; biggest rise is in Kuwait; oil output still far below quotas

Reuters
 London

Opec oil output in June rose from its lowest in more than two decades, a Reuters survey found, as Gulf members began reviving supplies shut during the Iran war and effective closure of the Strait of Hormuz.

Output by the 11-member Organisation of the Petroleum Exporting Countries rose by 3.3mn barrels per day month-on-month to 19.43mn bpd, the survey found.

That marked a recovery from last month, which was the lowest monthly figure since at least 2000, according to Reuters surveys, and also well below the levels seen during the Covid-19 pandemic in 2020 when demand collapsed.

The figures exclude the United Arab Emirates, which quit Opec as of May 1. Kuwait and Iran experienced the biggest increases, the survey found. The US ended its blockade of ships to and from Iranian ports, which had been forcing cuts in output.

Saudi Arabia and Iraq also increased



Oil output by the 11-member Organisation of the Petroleum Exporting Countries rose by 3.3mn barrels per day month-on-month to 19.43mn bpd, Reuters survey found

output, sources in the survey said. Nigeria and Libya, whose shipments were not affected by the Iran war, also pumped more.

Seven members of the Opec+ producer group, which includes Opec plus allies including Russia, had agreed to raise production in June, but the Iran war made that impossible.

The Reuters survey is based on flow data from financial group LSEG, information from other companies that track flows, such as Kpler, and information provided by sources at oil companies, Opec and consultants.

German 10-year bond yields rise

Reuters
 London

German 10-year bond yields rise in a month on Friday, as traders refined their positions after the initial move lower in yields on the US-Iran deal.

Benchmark 10-year Bund yields were up 3 basis points at 2.93%, having risen for the last five days in a row, heading for a weekly increase of 8 bps.

They have been driven higher by moves elsewhere, with worries about increased spending in Japan causing longer-dated yields there to rise sharply as well.

The yield on the eurozone benchmark bond is still meaningfully below its mid-May peak of 3.2%.

The US/Iran deal that reopened the Strait of Hormuz sent the price of oil down to near \$70 a barrel and caused traders to wind down bets on successive European Central Bank rate hikes this year.

Inflation is still a worry, however. The ECB raised rates in June, and money markets still see a second rate hike this year as more likely than not.

Shorter-dated, rate-sensitive bond yields have also risen this week, although by less than their longer-dated counterparts, a market dynamic known as curve steepening. German 2-year yields were up 4 bps at

2.53%, having risen by 2 bps this week. The discount in German 2-year yields to 10-year yields reached nearly 41 bps, the largest since early June.

It has grown almost 8 bps this week, marking the largest weekly increase since mid-April.

Kenneth Broux, head of corporate research FX and rates at Societe Generale, said short-dated rates were kept in check by soft European inflation data this week, while longer-dated bonds had seen some spillover from Japanese government bonds.

He said he was watching the 200-day moving average for the German 10-year yield, at 2.85%.

The note did not break below that level earlier in the week, in a manner reminiscent of similar moves in March and October, limiting its scope for an imminent move lower.

However, "the sequence of lower highs since May keeps alive possibility that rates have peaked", he said.

Other eurozone bonds were largely moving in line with German benchmarks on Friday. Italy's 10-year yield was 3 bps higher at 3.72% and France's up 2 bps at 3.73%.

But another development this week was the widening of the gap between French and German bond yields, an indication of the greater premium investors require to lend to France rather than Germany.

ICAI Doha Chapter hosts 'Four Pillars of Sustainable Wealth Management' session

The Institute of Chartered Accountants of India (ICAI) Doha Chapter recently organised a seminar on 'The Four Pillars of Sustainable Wealth Management', gathering the participation of 100 members who gained insights into long-term wealth creation and financial planning. Chairperson Arun Somanath, who thanked the speakers and members for their continued engagement with the chapter's initiatives, highlighted the increasing relevance of the session theme in today's rapidly evolving digital environment and its significance for members in staying future-ready. Raj Vijeta Sharma, director and Unit head at Anand Rathi Wealth, along with Chintak Shah, Tax head & associate director at Anand Rathi

Wealth, delivered a presentation on the essential pillars of sustainable wealth management: Purpose, Protection, Preparedness, and Preservation. They emphasised the importance of aligning financial decisions with life goals, building adequate protection against uncertainties, preparing for future milestones, and preserving wealth across generations. The session also featured insights on practical strategies to optimise investment decisions through efficient tax planning while remaining compliant with applicable regulations. The seminar provided members with actionable insights into holistic financial planning, wealth preservation strategies, and the significance of integrating tax efficiency into investment decisions.

Participants engaged with the speakers through interactive discussions and a question-and-answer session. Vice chairperson Dewaki Nandan Tibrewal delivered the vote of thanks and expressed his appreciation to the speakers and the participants. The event reaffirmed the ICAI Doha Chapter's commitment to empowering finance professionals through relevant, high-quality learning opportunities that enhance both professional competence and personal financial awareness. For further information regarding ICAI Doha Chapter activities and upcoming events, members and aspiring members are invited to connect with Somanath at 55060695 or Tibrewal at 6697 0721.



The Institute of Chartered Accountants of India Doha Chapter's recently organised seminar, 'The Four Pillars of Sustainable Wealth Management', gathered the participation of 100 members who gained insights into long-term wealth creation and financial planning.



Putin's diesel export ban risks new fuel shock

By Ron Bouso
London

A looming Russian diesel export ban could not come at a worse time. Global fuel inventories are dangerously low, and after the biggest energy shock in decades, another supply hit could threaten a fragile recovery. Russian President Vladimir Putin said on Sunday that the Kremlin was considering a ban on diesel exports after acknowledging mounting domestic shortages. Those shortages were triggered by Ukrainian drone strikes on Russian refineries, part of Kyiv's widening energy campaign against Moscow in the fifth year of the Ukraine war. The energy-dense fuel sits at the heart of global economic activity, powering heavy transport, industry and agriculture - from trucks and shipping to construction machinery and tractors. The market is still recovering from the closure of the Strait of Hormuz, which choked off oil supplies when the Iran conflict erupted on February 28. With 13% of global oil supplies cut off, diesel prices surged to all-time highs in early April, as a sudden supply crunch triggered acute shortages and drained already thin global inventories. The strait's reopening after the June 17 US-Iran interim deal has brought swift

relief. Tanker traffic remains uneven and well below pre-war levels, but trapped Gulf barrels are flowing again, helping drive a more than 40% retreat in Brent crude prices and offering hope to the stretched refined products market. But just as the worst of the Middle East energy shock begins to fade, a new disruption is emerging in an old conflict. Russia's threatened diesel export ban highlights its own increasingly strained position. The world's third-largest crude producer - and a major diesel supplier - has sustained significant damage to its energy infrastructure in recent months as Ukraine has intensified attacks on oil terminals and refineries across the country. Moscow's key refinery has been hit twice this month and is expected to remain offline for at least six months. Altogether, the strikes are estimated to have disrupted around a quarter of Russia's roughly 7mn barrel-per-day (bpd) refining capacity. The impact is already visible domestically: fuel prices have risen and long queues have formed at filling stations across parts of the country. Russia may even be forced to import fuel, according to local media reports. That would represent a remarkable reversal for a country that has long been a cornerstone supplier of refined products

to global markets. The hit to exports is already stark. Russian seaborne diesel shipments have fallen sharply in recent months, dropping to 426,000 bpd in June, the lowest since at least January 2017, according to Kpler data. That's down from 827,000 bpd a year earlier, when Russia was the world's second-largest diesel exporter after the US., accounting for 11% of global seaborne supply. Turkey and Brazil remain the largest buyers, with the rest flowing primarily to Africa. A full export ban would therefore reverberate far beyond Russia's borders, especially given the timing. This threatened ban comes as global inventories of refined products have fallen to alarming levels, after being drawn down at a rapid pace in the past few months to compensate for missing Middle Eastern volumes. In the US, distillate stocks, which include diesel and heating oil, are hovering just above a 23-year low of around 100mn barrels hit in May, according to Energy Information Administration data. Inventories elsewhere tell a similar story. Diesel stocks in northwest Europe, a major diesel-importing region, have dropped by roughly 20% since the start of the Iran war, according to Insights Global, leaving the region with little buffer against fresh supply shocks. Moreover, the market is now entering

a critical period when inventories are typically rebuilt ahead of winter in the Northern Hemisphere, when demand rises due to heating needs, freight activity and agriculture. Diesel refining margins are already flashing red. In Europe, benchmark diesel refining margins - known as cracks - have jumped more than 35% since the US-Iran interim deal, reversing earlier declines and rising above \$46 a barrel, according to LSEG data. Singapore cracks in Asia are also back above \$40 a barrel. To be sure, the gradual normalization of crude flows from the Gulf should allow major Asian refineries to raise run rates after months of disruption, helping to ease some of the tightness in global fuel supplies. But that relief may prove insufficient. If Russia pulls even more barrels off the market, the fragile rebalancing now underway could quickly unravel. The result would be renewed upward pressure on diesel prices, further inventory depletion and higher costs for transport, industry and consumers. After one of the most severe energy shocks in decades, the global economy can ill afford another.

■ Ron Bouso is a columnist for Reuters. The opinions expressed here are those of the author.

Cooling US jobs data buys Fed and stock market more time

Reuters
New York

A tepid June jobs report offers relief for US equities just as investors had begun to worry that excessive labor market strength might force the Federal Reserve to turn more hawkish in its fight against inflation, hobbling high flying tech stocks that have driven this year's rally. US job growth slowed more than expected in June and payroll gains for the prior two months were revised lower, the Labor Department said on Thursday, pointing to a cooling but still stable labor market that prompted financial markets to dial back expectations for a near-term Federal Reserve rate hike.

That could buy the stock market more time, just as soaring valuations, dramatic swings in the value of trillion-dollar companies, and periodic sharp selloffs have fueled concerns that pockets may be in a bubble.

US stocks initially edged up before giving up gains, and the dollar slipped as traders pared expectations for a rate hike as early as September.

"This jobs report lets anyone concerned about an imminent Fed hike to breathe a sigh of relief," Adam Sarhan, chief executive of 50 Park Investments in New York.

"It doesn't mean the fear of inflation is over. It just takes the pressure off the Fed to raise rates in the short term," Sarhan said.

Last month, investors got a taste of how quickly this year's 10% stock market rally could unravel after the Fed left rates unchanged at its June meeting, but projected a hike in borrowing costs later this year amid growing concerns about rising prices.

That move stoked investor angst about debt-funded corporate spending on AI and prompted stocks to pull back, particularly in big tech names that have come to dominate the market.

Thursday's jobs report, a break from the run of strong employment gains in prior months, should reassure Fed policymakers that the labor market is not fueling inflation, said investors.

Fed fund futures late on Thursday suggested roughly even odds that the central bank would raise rates by its September meeting, according to LSEG data.

While many warned against reading too much into a single report, especially given the volatility in the data in recent months, they said it gives the Fed more time, and should be a tailwind for stocks - at least in the short term.

"A consistent pattern of moderating labor market conditions and easing inflation would reinforce the case for a more accommodative Fed and support the current market outlook," said Anshul Sharma, chief investment officer at Savvy Wealth.

The prospect of lower interest rates is generally supportive for equity valuations, but particularly in sectors such as technology which are focused on long-term growth, he added.

Despite the modest pullback in market expectations for a rate hike this year, there is still a gap between that pricing and the view of many economists who believe the Fed will not hike rates this year.

That suggests there is room for further re-pricing. To be sure, momentum and earnings expectations still appear to be bigger drivers for the stock market than economic data.

After a strong first-quarter earnings season for S&P 500 companies, investors will be looking to see if second-quarter results in the coming weeks can continue to support lofty valuations.

Still, if market expectations for a rate cut fade further, that would provide an incremental positive for stocks, strategists said.

"It certainly would shift towards more of a risk-on posture," said Mark Hackett, chief market strategist at Nationwide.

World's top domain seller GoDaddy challenges India's web crackdown

Reuters
New Delhi

The world's biggest internet domain seller, GoDaddy is legally challenging an Indian court order, warning that mandates to remove default privacy protections and target scam websites will result in widespread collateral damage to the internet.

Soaring smartphone and internet use has coincided with a worsening problem of online fraud in India, the world's most populous nation. It's a key challenge for Prime Minister Narendra Modi's government, which last year received 2.4mn complaints of alleged cyber fraud amounting to \$2.4bn.

Starting in 2019, lawsuits were brought by dozens of Indian and global firms - Amazon against fake shopping sites trading on its name and McDonald's complaining against bogus sites offering franchises. In December, an Indian court blocked more than 1,100 such websites.

The New Delhi judge however went further, ordering sweeping new measures that tech experts say have rewritten rules of internet governance: Domain sellers should not offer buyers free privacy protection by default, the buyer's details should be released to anyone with a "legitimate interest" within 72 hours, and website addresses that are variations of protected brand names must be prohibited.

US-based GoDaddy has challenged the directives before a larger bench of judges at the Delhi High Court, according to a Reuters review of non-public filings. It says the ruling will affect legitimate businesses that have names similar to big brands.

Stopping privacy-by-default features, GoDaddy said,



GoDaddy logo is seen in an illustration. The world's biggest internet domain seller has warned that India's crackdown on fake websites impersonating famous brands will make the internet less safe for legitimate businesses and carry global ramifications.

will result in public disclosure of name, address, telephone and e-mail of legitimate website owners, exposing them to "foreseeable privacy and security risks" such as stalking and harassment.

As domain names operate globally, not locally, the order could force GoDaddy to regulate website addresses across the world, it said.

On the court's order imposing a 72-hour deadline on companies to provide registration details to anyone with "legitimate interest", GoDaddy argues it has no wherewithal to assess who has legitimate interest or not.

The "commercially destabilising" directives may force domain name companies to "exit India", said one of GoDaddy's appeal documents that ran into 5,121 pages.

The Indian government and

GoDaddy did not respond to e-mails from Reuters requesting comment.

With annual revenue of \$5bn, GoDaddy manages 80mn domains and serves over 20mn users. In 2024, company executives said India was its biggest region in the emerging market space.

GoDaddy rivals, Arizona-based Namecheap and Netherlands-based Hosting Concepts, have also challenged the New Delhi ruling, court records show, although Reuters could not ascertain details of their appeals. The companies did not respond to Reuters queries.

The legal dispute embroiling GoDaddy and others was triggered by more than 20 companies that sought the court's intervention on fake websites damaging their brand.

These included Amazon, Mc-

Donald's, Microsoft, Xiaomi and Colgate-Palmolive. None of the companies responded to queries from Reuters.

The December ruling noted the fake websites were "engines for large scale deception".

One of the 14 measures outlined by the court said masking a domain buyer's registration details should now be offered as a payable service as the feature acts "as a cloak" to hide the identity of rogue operators.

Despite the court order, which remains in force, GoDaddy's website still promotes its offering as one which includes "free privacy protection forever ... we redact your name, address, phone number and email" from the public directory.

GoDaddy argues that diluting the privacy feature will run contrary to India's data protection law and the European Un-

ion GDPR law which mandates a "privacy by default" approach.

Farzaneh Badii, a New York-based researcher on internet governance, criticised the New Delhi ruling, noting that Europe redacted such details because publishing them had been abused by harassment and targeted phishing.

"The people exposed will be journalists, activists, small business owners, and private individuals. The brand impersonators will not," she said.

Modi's Home Minister, Amit Shah, said this year that one person falls prey to cybercrime every 37 seconds in India, and lack of action risks turning the menace into a "national crisis".

While the sweeping December directives were issued by a court, they followed government's submissions, documents showed.

An unreported 59-page IT ministry document from 2023, contained in GoDaddy's latest appeal papers, revealed New Delhi conveyed to the judge it was concerned about the "issue of domain name abuse" and "lack of stringent verification".

The home ministry, tasked with handling cybercrime, told the judge registration details "should be readily (made) available" for investigations.

That stand is in line with Modi's bitter disagreements and spats with global technology giants in recent years. New Delhi has repeatedly criticised companies like Meta, X, Google and Telegram - and even taken some on in courts - for not doing enough to police content it sees as against national interests.

In cases like one brought by McDonald's, the company sought action against 110 websites like mcdonaldsfranchiseindia.com, with some using its Golden Arches logo and selling fake franchises for "huge sums of money".

Kioxia initiates 10th-generation 3D flash memory production

AFP
Tokyo

Kioxia and Sandisk have initiated 10th-generation 3D flash memory production at the Kitakami Plant in Japan to meet rising global demand, according to a press release from Business Wire.

This manufacturing milestone at K2 enhances the joint venture's capacity and supports long-term bit growth strategies. In conjunction with the start of production, the companies held an unveiling ceremony for the K2 facility.

Opening in September 2025, the facility has produced the companies' 8th-generation 3D flash memory products and will begin to scale production with the introduction of their 10th-generation products.

Both generations of 3D flash memory adopt innovative CBA (CMOS directly Bonded to Array) technology and offer high performance, high capacity, and low power consumption. The Fab2 facility has an earthquake-

absorbing architectural structure and a design that utilises state-of-the-art energy saving manufacturing equipment. The facility uses artificial intelligence for enhanced production efficiencies and employs a space-efficient facility design that enlarges the space available for manufacturing equipment in its clean rooms.

Kioxia and Sandisk recently announced the extension of their joint venture framework through December 2034.

The Sandisk-Kioxia partnership has driven decades of NAND flash memory innovation.

Continued investments in the K2 fab will fuel the joint venture's long-term success and ability to deliver leading-edge flash memory innovations at scale and with stability, in line with each company's previously stated target bit growth.

Koichiro Shibayama, President and CEO of Kioxia Iwate Corporation, which operates the Kitakami Plant, said, "We are pleased to begin production of our advanced 10th-generation flash memory here in Kitakami. The eighth and further generation flash



Company officials at the unveiling ceremony for the K2 facility.

memory products produced at the Fab2 will deliver new value to the rapidly growing AI market. Leveraging the partnership and scale advantages, Kioxia will continue to manufacture leading-edge flash memory products and achieve sustainable corporate growth. Kioxia will

continue to contribute to the advancement of the semiconductor industry and the development of local and domestic economies. "For decades Sandisk and Kioxia have driven innovation in NAND flash memory," said Alper Ilkbahar, Chief Technology

Officer of Sandisk Corporation. "Beginning production of our 10th-generation 3D flash memory at our Kitakami facility marks an important milestone for the two companies as demand for high-performance flash technologies continues to increase.

Through our K2 facility we will continue to support our customers with the world's leading NAND technology, while providing new economic opportunities for the communities we operate in and serving as an example of strong US-Japan economic relations."

Kioxia and Sandisk have shared a successful joint venture partnership for over 25 years and will continue to strengthen synergies and competitiveness through joint development of 3D flash memory and capital investments.

Sandisk delivers innovative flash solutions and advanced memory technologies that meet people and businesses at the intersection of their aspirations and the moment, enabling them to keep moving and pushing possibility forward.



Pedestrians walking past a shop owned by online brokerage Futu Securities in Hong Kong. Beijing introduced new rules this month cracking down on overseas investments, citing national security concerns and cranking up curbs on buying US shares that were imposed on Chinese investors in May.

Chinese investors flock to HK as trading restrictions tighten

AFP
Hong Kong

Soon after disembarking at Hong Kong's train station, Chinese private investor Feng was opening a stock trading account at a nearby brokerage, hoping to evade tighter restrictions on capital leaving the country.

Beijing introduced new rules this month cracking down on overseas investments, citing national security concerns and cranking up curbs on buying US shares that were imposed on Chinese investors in May.

Market regulators have classified cross-border stock trading by some online brokers as "illegal" and have meted out penalties, hoping to stem what analysts say are record capital outflows in recent years.

But mainland investors are still streaming to Hong Kong, where regulations are relatively freer, hoping to trade US stocks.

Feng, who arrived on an overnight train from eastern China, opened three accounts in one day, telling AFP she did not want to miss the chance to invest in US firms.

Although US markets have been volatile recently, "they're still much better than the Chinese stock market", she said.

Seasoned investor Tao flew to Hong Kong from Shanghai, telling AFP he spent two weeks opening bank and broker accounts to retain access to US stocks.

China has long imposed strict foreign exchange controls on its citizens in order to maintain regulatory sovereignty and stabilise the valuation of its currency, the yuan.

Mainland investors have been seeking to diversify their holdings in recent years as a debt crisis has crippled the Chinese property sector, long viewed as a safe bet to park assets, analysts told AFP.

The new restrictions come after Beijing slapped more than \$330mn in fines in May on major brokers Futu, Tiger and Longbridge, saying they had aided mainland Chinese investors to trade overseas despite lacking the required licences.

Authorities ordered the firms to phase out cross-border businesses in China within two years, vowing to "completely eradicate" such illegal operations. Around \$32bn in Hong Kong and overseas assets held by Chinese investors are traded by the three brokers, according to the companies.

An employee from one of the firms told AFP on condition of anonymity that the severity of the crackdown was unprecedented, despite a previous penalty in 2022.

Investing in US assets in China usually requires going through officially approved channels and is typically subject to ceilings and strict foreign exchange controls.

Designer Iain Wu, a longtime broker platform user, said investors would lose opportunities such as trading newly listed global firms. The measures signal "China's efforts to control the outflow of citizens' funds and assets", he said.

"I'm concerned that regulations will tighten even further, such as by limiting the annual investment quota per person," Wu added.

Households, institutions and companies shifted an estimated record of \$807bn in assets moved out of China in 2025, according to

a Bloomberg report citing the Institute of International Finance's data. The outflows have come as Chinese policymakers have struggled to sustain a post-pandemic economic revival, with annual growth slowing, consumption stuttering and property sector debt mounting. Top leaders have also spooked some investors by signalling a desire to tackle deep-seated wealth inequality.

May's sanctions on brokers are the toughest measures taken by officials in years to plug loopholes that people long used to bypass capital controls.

Dick Kay, Deloitte China's capital market services group leader, said that officials had cracked down on brokers to steer investors towards trading through compliant channels, which are more "manageable".

"Once the so-called grey areas have been narrowed or reduced, the requirements for the legitimate channels... will be expanded", allowing more people to invest through authorised routes, Kay said.

Han Lin, a cross-border finance specialist at The Asia Group consultancy, said Beijing's move was driven by "concerns over capital outflows, regulatory sovereignty, and unlicensed offshore securities activity".

Investors increasingly see regulatory risk rather than market risk as the key variable shaping overseas investment access, he told AFP.

The rules signal that overseas investment should be carried out "on Beijing's terms", said Lin.

"Future overseas deals will continue, but approvals will increasingly favour strategic sectors aligned with national priorities."

Asia markets rise as beaten-down tech stocks enjoy bounce

AFP
Hong Kong

Asian stocks rose on Friday as tech firms enjoyed a much-needed rebound from the heavy selling of recent weeks, with a big miss on US jobs creation soothing worries over a Federal Reserve interest rate hike.

In Seoul, the Kospi closed up 5.8% to 8,088.34 points; Tokyo - Nikkei 225 ended up 1.5% to 69,744.07 points; Hong Kong - Hang Seng Index ended up 1.3% to 23,350.03 points and Shanghai - Composite closed up 0.4% to 4,043.64 points yesterday.

Regional markets have been in traders' firing line for some time as the prospect of higher borrowing costs -- fuelled by a fresh inflation spike -- and concerns about extended valuations have sparked questions about how far the AI equity boom has to run.

That has seen chip firms such as Korea's SK hynix and Japan's Kioxia plunge from record highs, along with benchmark indexes in Seoul and Tokyo.

But the selling paused on Friday as investors welcomed data showing the US economy added less than half the jobs than forecast in June, while figures for the previous two months were also revised down.

The readings suggested the labour market was not as strong as previously thought, and gives the Fed some breathing room to hold off an expected rate hike for now.

Speculation has grown since the central bank's June policy meeting

that it will announce an increase this year as new boss Kevin Warsh said price stability was his key goal, citing persistently elevated inflation.

Seoul's Kospi closed up 5.8% -- having tanked around 20% from its June 19 record high -- boosted by strong rallies in SK hynix and Samsung. Tokyo climbed more than one percent, along with Hong Kong, Manila, Bangkok and Jakarta.

There were also gains in Shanghai, Singapore, Wellington, Taipei and Mumbai. London and Paris advanced, while Frankfurt extended gains after closing Thursday at at record high.

However, the likelihood of a US rate hike before the end of the year remains. "Not long ago the Fed had an easing bias which was primarily fuelled by concerns over the labour market," wrote Rodrigo Catril at National Australia Bank.

"Recent improvement in payrolls alongside higher inflation shifted the Fed bias towards neutral with the new Fed Chair emphasising the need for the Fed 'to re-commit to deliver price stability'."

"The US labour market today is not strong enough to instigate rate hikes but importantly is no longer a handbrake or impediment to hikes, leaving the Fed solely focused on the other side of its mandate."

"In other words, getting inflation down after five years of overshoot and six months of more recent core reacceleration." The gains in Asia followed a mixed day on Wall Street, where the Nasdaq sank 0.8% but the Dow jumped more than 1% on the last day before a long Independence Day weekend.



An investor looks at an electronic board showing stock information at a brokerage house in Beijing. Shanghai - Composite closed up 0.4% to 4,043.64 points yesterday.

LME metals whipsawed by war and peace in first half

By Andy Home
London

The early-year euphoria that propelled both copper and tin to record highs was doused by the launch of Operation Epic Fury at the end of February.

The Iran war has dominated the headlines ever since, which has been challenging for traders because the headlines have been so confusing.

The Strait of Hormuz seems to have entered a quantum universe in which it can be simultaneously open and closed, depending on which protagonist is talking at any given point in time.

Schrödinger's Strait "continues to reopen but it's patchy, unpredictable, and not fully transparent," according to Vandana Hari, founder of oil market analysis provider Vanda Insights.

That is an equally good description of the current peace talks, which are taking place in Doha. Amid the fog of war and peace, the LME Index, a basket of the six base metals traded on the London market, has swung from exuberance to dejection to resilience

over the first half, ending the period somewhere in between. Individual performances have diverged widely, depending on each metal's sensitivity to the ebb and flow of the Gulf news.

Aluminium has been a direct casualty of the war in the form of missile strikes on two Gulf smelters and constrained logistics at others.

Regional production dropped by an annualised 2mn metric tons between February and May, according to the International Aluminium Institute.

The unprecedented supply shock sent LME three-month aluminium to a four-year high of \$3,787.50 per ton at the start of June.

The war premium has since almost completely unwound as the market prices in a return to some sort of normality.

Part of the new normal, however, is low LME inventory. Combined on- and off-warrant stocks have shrunk to just over 400,000 tons, most of it Russian metal.

The war has injected another level of confusion into an already confused copper market. At a macro level, the potential impact on global growth is negative for copper. But on a micro level, the closure of the Strait has

created a sulphuric acid shortage, squeezing copper producers using leach technology.

The copper concentrates market, meanwhile, is dysfunctional, with smelter treatment terms collapsing to the point that processors are now relying on everything but copper to make money.

The refined metal market is still on tenterhooks, awaiting a decision on whether US President Donald Trump will impose tariffs. A decision is due any day.

The premium for US delivery continues to suck in metal from the rest of the world.

Caught between conflicting signals, LME three-month copper has been trading water between \$13,000 and \$14,000 per ton since the middle of May. Investors still like copper's story of structural supply deficit, and there are plenty of super-bulls bidding their time in the LME options market.

Zinc, which has little direct exposure to the war, has been the surprise performer among the LME pack so far this year. LME three-month zinc hit a near four-year high of \$3,658 per ton in early June and closed the month up 14% from the start of the year, the second-strongest price performance after tin.

The global zinc market was supposed to be

in a big supply surplus this year, but the latest assessment from the International Lead and Zinc Study Group is for a small deficit.

The shortfall is concentrated in the world outside China, where smelter production continues to under-perform.

China itself is steadily lifting production and is on course to reach a state of self-sufficiency in the near future. Nickel trading has been all about Indonesia and the government's attempt to rein in its runaway production sector.

Sharp reductions in this year's mining quotas boosted the LME three-month nickel price to a two-year high of \$20,000 per ton in May.

The sulphur squeeze emanating from the Gulf has piled more pressure on Indonesian producers using acid in leaching operations. However, growing speculation that Indonesia is set to loosen its mining quotas has sent the price crashing back towards the \$16,000-per-tonne level.

While Jakarta weighs its options, surplus metal continues to accumulate. LME stocks have topped out, but Shanghai Futures Exchange inventory has just surpassed 100,000 tonnes for the first time since 2016.

Tin and lead have been wholly unaffected by events in the Gulf, allowing each to follow its own narrative path. In the case of tin, this is a bull promise of structural supply deficit in the face of rising demand for the electronic soldering metal.

Tin has been pricing scarcity for many months and was the outperformer of the LME complex in the first half of 2026, with year-to-date gains of 27%.

Lead, by contrast, is a market weighed down by surplus metal and closed the first half with year-to-date losses of 7%.

Combined LME on- and off-warrant inventory has been hovering around the 500,000-tonne mark since the start of the year.

Lead has assumed aluminium's mantle as the market of choice for inventory financiers, with LME trading characterised by warehouse arbitrage and inventory rotation between on-warrant and off-warrant storage.

That, of course, also speaks volumes about how much aluminium dynamics have changed since the start of the Iran war.

■ Andy Home is a columnist for Reuters. The opinions expressed are those of the author.

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US oil firms set to post strongest quarterly profits in years

Gasoline prices remain elevated despite crude easing towards pre-conflict levels; refining margins are near 2022 highs, boosted by exports and tight supply; White House scrutiny is rising as industry pushes back on pricing claims

Reuters
New York

US oil companies are set to report their strongest quarterly profits in years, courting a possible clash with President Donald Trump, who has been pressing his longtime ally Big Oil to bring down gasoline prices before midterm elections in November.

After months of Americans complaining about pain at the pump, Exxon Mobil and Chevron are expected to report second-quarter earnings in the coming weeks that are more than triple first-quarter levels. Oil prices spiked after the US-Israeli war on Iran began in late February and global fuel supplies tightened.

Oil companies' profits are forecast to rise to their highest levels since 2022. The

expected bonanza could complicate the normally warm relationship between Trump and the oil industry, an important financial backer of Trump and the Republican Party.

Higher gasoline prices have amplified cries for affordability from Democrats hoping to win back control of the US Congress, and also sank Trump's approval rating as few Americans believed the Iran war was worth its costs.

The administration has urged the US Justice Department to investigate possible gasoline price gouging. Treasury Secretary Scott Bessent warned producers and refiners that the White House could consider administrative action if pump prices do not decline sharply.

"The industry is definitely talking to each other and thinking of ways to deal with it, but we know what's coming. We understand the politics," said one industry executive, speaking anonymously.

Since shipping through the Strait of Hormuz resumed last month, Trump has said he wants the national average to fall to about \$2.50 a gallon - well below the current average of roughly \$3.85 and about 11% below the low for his current

presidency of roughly \$2.81 reached in late December.

Oil industry lobbyists have stepped up outreach to officials and lawmakers to blunt criticism, according to interviews with eight lobbyists and industry officials. Oil executives say they have limited influence over retail gasoline prices.

Crude oil prices account for nearly half of the price consumers pay at the pump, with the rest determined by refining, distribution, marketing and taxes. Still, benchmark crude prices have returned to pre-war levels yet US gasoline prices remain about 22% higher than before the war. Analysts and industry groups cite tight physical fuel markets and constrained gasoline inventories rather than crude oil prices alone.

Bob McNally, president of Rapidan Energy Group, said the divergence highlights structural supply-demand pressures.

"Gasoline prices don't move in lockstep with crude oil, especially during a major global disruption affecting supply, refining and inventories," said Bethany Williams, a spokesperson for the American Petroleum Institute.

The American Fuel & Petrochemical

Manufacturers said policymakers also play a role, citing regulatory costs.

"Refineries do not set the price of finished gasoline, and crude oil is just one of many inputs," the group said. For instance, the Renewable Fuel Standard requires retailers to sell a certain percentage of fuel containing ethanol or other biofuels.

The White House said Trump's top priority is lowering gasoline prices, citing falling oil prices since the Iran agreement and increased co-ordination with the oil industry on permitting and regulation. Exxon declined to comment.

Chevron referred to a June 25 interview with CNBC, in which CFO Eimear Bonner said it would take time for gasoline prices to normalise.

Analysts expect Big Oil's second-quarter earnings to be the strongest since 2022, when Russia's invasion of Ukraine roiled energy markets. According to analyst estimates compiled by LSEG, Exxon Mobil is expected to report about \$15.9bn in adjusted net income, more than triple its first-quarter earnings.

Chevron is forecast at about \$9.9bn, also more than triple its prior quarter. Part of the increase will likely reflect a reversal

of first-quarter accounting losses tied to derivatives used to hedge crude and refined product exposure. But analysts say the broader gains come from stronger market fundamentals.

Energy advisory firm TPH estimates US gasoline crack spreads - the difference between the price of crude oil and the fuels produced from it - averaged about \$25 a barrel in the second quarter, up roughly \$16 from the prior quarter. It said diesel crack spreads rose about \$15 to roughly \$45 a barrel, the strongest margins since mid-2022.

Robust demand for US exports amplified gains as the war left refiners abroad short of supplies.

Despite pain at the pump for US drivers, analysts at BMO Capital Markets expect oil companies to accelerate share buybacks in the second half of 2026, extending a post-pandemic focus on returns over production growth.

"Being the boogeyman is not particularly fun," said one executive. "But we need to educate officials that this is a cyclical industry and that no one cares when the market turns and we are taking all the risk."

German draft budget sees more than €203bn in borrowing

The 2027 budget draft allocates €555.4bn in spending; total investment reaches €117.5bn in 2027; core defence spending is set to rise to €109.8bn in 2027

Reuters
Berlin

Germany plans to lift 2027 borrowing to more than €203bn (\$232bn), according to the budget draft seen by Reuters on Friday, a sharper rise than previously signalled, as Berlin ramps up investment and defence to shield its sluggish economy from war-related energy shocks and years of underinvestment.

Borrowing is up from the €196.5bn signalled in April and far above the €50.5bn in 2024 under the previous government, before Germany threw off decades of fiscal conservatism last year to revive its moribund economy.

The budget draft assumes the Middle East conflict will ease during the summer but warns if the Strait of Hormuz or oil production capacities remain disrupted longer, there would be "far-reaching consequences" for the German economy.

The 2027 draft budget, part of a medium-term financial framework extending to 2030, allocates total spending of €555.4bn, more than the €543.3bn approved in April. Total

investment will be €117.5bn, nearly €40bn more than originally planned. This increase comes after the approval of a €500bn fund for infrastructure and a rule change that allows defence spending to be excluded from debt limits.

Germany's special infrastructure and climate fund will focus primarily on transport, digitalisation and hospital infrastructure, underscoring where Berlin sees the most urgent need to modernise Europe's largest economy after years of underinvestment.

New borrowing in the core budget is expected to rise to €118.7bn, with €54.9bn borrowed on top through the infrastructure fund and €30bn through the special fund for defence approved by former Chancellor Olaf Scholz after Russia's 2022 invasion of Ukraine. The defence fund ends in 2027.

Core defence spending is set to climb to €109bn in 2027 from €82bn in 2026 in the core budget. Adding €11.6bn in funds for Ukraine and €9.4bn in other security-related spending, such as civil protection, intelligence and IT protection, defence spending rises to €130.1bn after rounding.

Cabinet approval of the first draft is expected on Monday, when the budget will be officially presented. After the summer recess, budget discussions will commence in parliament in September, with final approval anticipated by year-end.

Creaky private credit sector continues to worry US investors

AFP
Washington

An admired symbol of financial innovation in recent years, private credit has become a source of unease in US financial markets, and a subject of intensifying scrutiny.

Leading firms have seen an acceleration of withdrawals from clients who had poured funds into non-banking financial firms as conventional banks pulled back on some vehicles after the 2008 financial crisis.

In the most recent example, asset manager Blue Owl, a big player in private credit, reported redemption requests of \$4.7bn in the second quarter, only slightly less than the \$5.4bn lodged in the first quarter.

In total, these requests amount to more than half the total in one of Blue Owl's funds dedicated to private credit.

But like other firms faced with heavy withdrawal requests, Blue Owl limited withdrawals to five percent of the funds.

In the first quarter of 2026, withdrawals from private credit funds overtook deposits in such funds, according to the Federal Reserve's most recent report on financial stability.

The dynamic poses risk for enterprises that have come to rely on private credit as a financing lifeline.

"Traditionally, only really large companies could have" turned to private credit for capital, said professor Jared Ellias, an expert on corporate debt restructuring at Harvard Law School.

"But today somebody who owns a couple of restaurants might be able to go do that," he said. The sector grew quickly after Covid-19, from around \$500bn in 2019 to almost \$1.5tn last year, according to the Fed.

Even with that growth, the sector constitutes a relatively small share of total business debt in the massive US economy, where total corporate debt is estimated at \$20tn, not counting the financial sector.

"The private credit market grew very



Traders work on the floor of the New York Stock Exchange. An admired symbol of financial innovation in recent years, private credit has become a source of unease in US financial markets, and a subject of intensifying scrutiny.

rapidly, it expanded from...quite a small specialised thing to something larger," said Adam Slater, economist at Oxford Economics. This growing population investing in private credit -- including retail investors -- was drawn into a space that offered less liquidity than other options, but which seemed to promise greater returns.

"Because this is all bespoke lending between borrowers and lenders, our credit quality ought to be higher," Slater said.

But the situation has evolved in the last few years with the arrival of semi-liquid private credit funds, which allow investors to withdraw a fraction of their funds each quarter.

Such firms have represented a growth area for the industry but today are also a source of its fragility.

One source of unease has been private credit's disproportionate exposure to the software sector, which is considered especially vulnerable to emerging artificial intelligence technologies.

"There's a lot of fear about how nobody knows who they lent to," Ellias

said. "There's even more fear...that they've lent to a lot of software companies."

The default rate among borrowers has risen above five percent and continues to rise, according to the Fed.

These defaults translate into hardship for businesses and investors. But Fed officials have said they don't view the vulnerabilities in private credit as posing broad systemic risk -- a view shared by other experts.

"My assessment will be that this sector is in some trouble, but the risks to spill over are much lower than they were from, from subprime," Slater said.

"There are spillovers to banks, to insurers," he said. These negative spillovers are "not nothing, but they are much more modest in scale, as far as we can understand."

Financial insiders expect declines in private credit to continue, with other financing vehicles emerging. In a few years, the push into this market will look like a "fad," said one insider, its rise and fall part of the "natural process of the market."

Messer acquires WKS Group

AFP
Singapore

Industrial gases specialist Messer has acquired Singapore-based WKS Group, expanding its footprint into southern Malaysia and targeting growth in industrial and electronics sectors according to a press release from Business Wire.

The acquisition strengthens Messer's regional capabilities, though financial terms of the deal were not disclosed. Messer reported consolidated sales of approximately EUR 4.5bn for its 2025 financial year.

Founded in Singapore in 1977, WKS Group comprises six companies and employs approximately 195 people across Singapore and southern Malaysia. The acquisition expands Messer's operating footprint in Southeast Asia and strengthens its access to key

industrial clusters across the region.

"We are pleased to have completed this transaction with Messer, whose strategic vision makes them an excellent partner for WKS Group," said Wong Koh Hoi, shareholder of WKS Group. "We appreciate JCAI's professionalism and dedication throughout the process, and their expertise was instrumental in achieving a successful outcome."

Japan Corporate Advisory Institute is a Tokyo-headquartered cross-border M&A advisory firm focused on Japan, Southeast Asia and India.

"As global investors increasingly seek opportunities across Asia, access to reliable market intelligence and the right counterparties has become a key driver of successful M&A outcomes," said Olimjon Sadinov, Managing Partner at JCAI. "JCAI works to improve transparency in APAC's private markets by connecting business owners with strategic investors through a structured cross-border M&A process."

STOXX 600 clocks best week in over a month

Reuters
Frankfurt

Europe's benchmark STOXX 600 hit an intraday record high on Friday and logged its biggest weekly jump in over a month, underpinned by gains in cyclical stocks and investors pushing back on expectations for an imminent US interest rate hike.

The pan-European STOXX 600 hit another high of 652.35 and closed 0.7% higher on Friday, registering its sharpest weekly jump since mid-May. Germany's DAX index also notched an all-time high and closed up 0.8%.

German industrial group Siemens jumped 2.6% and was the biggest boost to the DAX after brokerage Kepler Cheuvreux upgraded the stock to "hold" from "reduce". Chip firm Aixtron rose



The German share price index DAX graph is pictured at the stock exchange in Frankfurt. DAX index notched an all-time high and closed up 0.8% yesterday.

6%, while peers Soitec and BE Semiconductor added 5% and 4.2% respectively.

"The tech-lite European indices are back in demand, even more so given that the stocks within them trade on much lower (valuation) than those seen over in the US," said David Morrison, senior market analyst at Trade Nation. "So, not

only are Europe's indices less exposed to the AI trade, but they are also relatively cheap."

Reuters reported the German draft budget for 2027 foresees borrowing of more than €203bn (\$232bn), up from total borrowing of €196.5bn the key targets approved by the government in April. Meanwhile, defence

stocks were 0.7% higher as Russia bombarded Ukraine with its deadliest strike this year. Investors anticipate more defence spending and output in times of geopolitical tensions.

Defence stocks have seen the strongest gains this week, along with cyclical stocks such as industrials, banks and financial services as the rally, previously concentrated in tech stocks, broadened, aided by easing Middle East tensions.

Earlier this week, euro zone data indicated that inflation rose at a slower-than-expected pace in June and European Central Bank President Christine Lagarde said that risks to inflation and economic growth were now more balanced than a few weeks earlier.

Traders now see the ECB hiking rates by a total of 23 basis points this year, LSEG data showed.

EU chief warns China 'dialogue has to deliver' on trade imbalances

AFP
Cork, Ireland

The EU's upcoming trade talks with China have to deliver results, European Commission head Ursula von der Leyen warned on Friday, as the bloc weighs action to address its trade imbalances with Beijing.

Her remarks came after talks this week between top European and Chinese trade officials, following which the EU's trade commissioner Maros Sefcovic said Brussels wanted "tangible results" by October from its discussions with Beijing.

The European Union must continue its dialogue with China, von der Leyen said during a visit to Cork city as Ireland kicked off its six-month presidency of the bloc.

"But the dialogue also has to deliver," von der Leyen told reporters. She added the EU had to be "very clear" in its talks, raising issues including "the subsidised overcapacity of goods coming to our market to a lack of market

access of our companies at the Chinese market".

She also pointed to "the unfair competition because of the subsidies that we do not want to see any more on our market".

Between 2005 and 2024, Chinese firms received around three to eight times more government support than companies in countries belonging to the Organisation for Economic Co-operation and Development (OECD).

Von der Leyen warned the EU was ready to act if it did not see change.

"We are basically prepared for everything, and we have all instruments on the table, and we are thinking about other possibilities if necessary," she said. EU leaders last month tasked the commission, the bloc's lead on trade policy, to continue talks but also to prepare new tools to protect the bloc's industries.

The 27-country European Union's trade deficit in goods with China hit around 360bn euros in 2025, meaning the EU imported way more from the Asian nation than it exported there.