AVIATION SPECIAL | Page 8
India's vast surplus of crop residue could power global sustainable aviation

Thursday, July 9, 2026
Muharram 24, 1448 AH
GULF TIMES
BUSINESS

WAR SHOCK : Page 5
IMF edges its 2026 global growth forecast lower to 3%, sees rebound in 2027

QNB Group H1 net profit surges 3% y-o-y to QR8.7bn

QNB reported a 3% jump in net profit for the first six months of 2026 to reach QR8.7bn, demonstrating the stable nature of QNB Group's financial results despite global headwinds.

Earnings per share increased by 5% from June 2025 to reach QR0.89. Total equity increased by 10% from June 2025 to reach QR130bn. Operating income increased by 11% to reach QR24.1bn, reflecting the group's ability to maintain successful growth across a range of revenue sources.

QNB Group CEO Abdulla Mubarak al-Khalifa said, "QNB Group has delivered another strong set of results in the first half of 2026, a testament to the soundness of our strategy and the successful execution by our dedicated team.

"While the regional and global environment presented challenges, our diversified business model and robust risk management framework enabled us to continue supporting our customers and delivering sustainable value for our shareholders. We remain confident in our outlook and committed to driving growth across our international network."

Hyperinflation in Turkey has remained persistent which has impacted the results for this period. Net profit before the impact of hyperinflation for the six months ended June 30, 2026, reached QR11.1bn, an increase of 12% year-on-year (y-o-y).

QNB Group's efficiency (cost-to-income) ratio stood at 24.1%, considered "one of the best ratios" among large financial institutions in the MEA region.

Total assets for H1 2026 reached QR1,438bn, an increase of 6% y-o-y, mainly driven by growth in loans and advances by 8% to reach QR1,042bn. Customer deposits increased by 4% to reach QR973bn from June 30, 2025, due to successful diversification of deposit generation.

The ratio of non-performing loans to gross loans stood at 2.5% in H1 2026, one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the group's loan book and the effective management of credit risk. In addition, loan loss coverage ratio stood at 99%, demonstrating the prudent approach adopted by the Group towards non-performing loans.

QNB Group's Capital Adequacy Ratio (CAR) H1 2026 amounted to 19.8%. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) during the same period amounted to 145% and 109%, respectively. These ratios are higher than the regulatory minimum requirements of the Qatar Central Bank and Basel III reforms requirements.

The Group successfully broadened its funding base, notably through a landmark issuance of a QR1.0bn bond, the largest-ever local currency issuance by a Qatari financial institution to international investors. The strong demand from a diversified base of international investors, underscores robust confidence in both the group and in Qatar's financial markets.

This issuance, along with several private placements under its EMTN Programme, demonstrates our strategic contribution to the development of Qatar's capital markets, in line with the goals of the Qatar National Vision 2030.

Capital Adequacy Ratio remained strong at 19.8%, significantly above the regulatory requirements, enabling the continuation of the share repurchase programme, providing a disciplined return of capital to shareholders. Since the programme's inception in 2024, QNB has repurchased 136.3mn ordinary shares at a total cost of QR2.3bn.

The strong performance in the first half of 2026 validates the group's five-year corporate strategy, which focuses on enhancing its position as a leading financial institution in the MEA region.

Looking ahead, QNB will continue to leverage its extensive international network across the Middle East, Africa, Asia and Europe to capture a larger share of cross-border trade and investment flows. QNB's strategic priorities remain diversifying its income streams and driving sustainable growth across the world's most dynamic markets.

QNB Group's total assets for H1 2026 reached QR1,438bn, an increase of 6% y-o-y, mainly driven by growth in loans and advances by 8% to reach QR1,042bn

QCB governor meets co-chairman of Oaktree Capital

HE the Governor of the Qatar Central Bank and Chairman of the Qatar Investment Authority Sheikh Bandar bin Mohammed bin Saoud al-Thani met with Co-Chairman of Oaktree Capital Management, Howard Marks, during his visit to New York, reports QNA. During the meeting, they discussed the latest developments in global finance and investment.

Dukhan Bank reports net profit of QR812.8mn in H1

Dukhan Bank expanded its asset base to a record QR129.2bn as of June 2026, reflecting a 4.4% increase from December 31, 2025.

Dukhan Bank has reported a net profit of QR812.8mn in the first half of 2026, climbing 0.2% compared to H1 2025.
Earnings per share remained at QR0.149, while total deposits stood at QR94.0bn, reflecting a 7.0% increase compared to 2025. Total equity reached QR15.6bn, up 2.5% against 2025. Net operating income registered a 10.4% growth amounting to QR1,006mn.
The bank achieved a robust CAR of 18.6%, well above the minimum statutory limits.
Total deposit base remained at historic levels, underscoring customers' confidence and the strength of the bank's value chain.
Dukhan Bank expanded its asset base to a record QR129.2bn as of June 2026, reflecting a 4.4% increase from December 31, 2025.
Financing assets stood at QR94.7bn, representing 73% of total assets, complemented by investment securities of QR26.0bn, which accounted for 20% of total assets.
Despite the challenging geopolitical situation, Dukhan Bank delivered solid financial results in the first half of 2026, underscoring the successful execution of its strategic initiatives and building on previously established momentum. Net profit edged up by 0.2%, supported by a robust 7.4% increase in net banking income.
The uplift in net banking income reflects its continued emphasis on revenue diversification and the strengthening of non-interest income streams. Prudent management of funding costs, even in difficult external conditions, provided additional support.
Operational efficiency remained a core strategic priority, with ongoing optimisation initiatives further enhancing profitability.
During the period, the bank's loan book reached a new high at QR94.7bn, up 5.2% from year-end 2025. This expansion is consistent with the bank's strategic objective of steadily strengthening its market presence while maintaining disciplined and efficient capital deployment.
The bank's strong credit risk discipline and proactive portfolio management were reflected in the non-performing loan (NPL) ratio, which declined to a record low of 3.9% as of June 2026 (December 2025: 4.2%). In parallel, the Stage 3 coverage ratio remained robust at 76.2% (December 2025: 75.7%), underscoring the Group's prudent approach to credit provisioning and effective risk mitigation.
Dukhan Bank continued to strengthen and diversify its funding base by leveraging long-standing client relationships and maintaining a balanced maturity profile.
The developments supported a solid liquidity position, with the regulatory loan-to-deposit ratio improving to 95.6% (December 2025: 98.1%). Both the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained comfortably above regulatory thresholds throughout the period.

QCB forex reserves rise 1.24% to QR262.114bn

QNA
Doha

International reserves and foreign currency liquidity at the Qatar Central Bank (QCB) rose by 1.24% year-on-year in June, reaching QR262.114bn, compared with the same period in 2025, when they stood at QR258.898bn.
Data issued by the QCB showed that its official international reserves increased by 1.48% by the end of June 2026, equivalent to QR2.963bn, reaching QR202.629bn, compared with the same period in 2025.
Meanwhile, its holdings of foreign bonds and treasury bills declined by about QR34.980bn to QR97.160bn in June 2026, compared with the same month in 2025.
Official reserves consist of key components including foreign bonds and treasury bills, cash balances with foreign banks, gold holdings, Special Drawing Rights (SDR) deposits, Qatar's quota at the International Monetary Fund, in addition to other liquid assets (foreign-currency deposits). Together, the latter two form what is known as total international reserves.
The data showed that gold holdings rose by about QR10.099bn by the end of June 2026, reaching QR54.595bn, compared with June 2025, when they stood at QR44.496bn.
Balances with foreign banks increased by about QR27.919bn, reaching QR45.687bn by the end of June 2026.
One the other hand, the balance of Special Drawing Rights deposits from Qatar's share at the International Monetary Fund declined by QR75mn by the end of June 2026, compared with June 2025, reaching QR5.186bn.

QIA participates in SambaNova's $1bn Series E funding round

QNA
Doha

The Qatar Investment Authority (QIA) has announced its participation in SambaNova's $1bn Series E financing round alongside General Atlantic, Seligman Ventures, T. Rowe Price Associates, Inc, Capital Group, and other new and existing investors.
The QIA had also participated in SambaNova's previous funding round in February 2026.
The latest investment reflects the QIA's continued focus on next-generation technology platforms driving global AI adoption and aligns with its strategy of partnering with innovative companies that offer differentiated technology, strong commercial momentum, and significant long-term growth potential.
In the four months between the two funding rounds, SambaNova's valuation increased from $2bn to $11bn, underscoring accelerating global demand for AI infrastructure and the company's growing position in the rapidly evolving sector.
In a statement on Wednesday, the QIA said the investment reflects its strategy of identifying high-potential growth-stage investment opportunities and backing companies with advanced technologies, strong business models, and the capacity to generate sustainable long-term value.
SambaNova is a provider of next-generation AI infrastructure, offering a full-stack platform that delivers AI inference capabilities for enterprises, cloud providers, AI laboratories, and service providers worldwide. Its purpose-built infrastructure enables customers to deploy advanced AI models with high performance, lower total cost of ownership, and faster time to value.
The funding will support SambaNova's continued expansion by increasing global deployment capacity, accelerating product innovation, and scaling AI infrastructure for enterprise customers worldwide. The company also plans to expand investment across chips, systems, software, and full-stack AI infrastructure to meet growing demand for AI inference.

BUSINESS

Qatar Chamber showcases its sustainability initiatives at SDG Ambassadors Forum

Qatar Chamber held the Sustainable Development Goals Ambassadors Forum yesterday, in cooperation with Regional Network Consultancy, a member of the Regional Network for Social Responsibility, and the SDG Ambassadors Centre.

The forum brought together some 40 students from the SDG Ambassadors programme. The opening was attended by Hussein Yousef al-Abdulghani, director of Administrative and Financial Affairs at Qatar Chamber; Dr Ali Abdullah al-Ibrahim, director general of Regional Network Consultancy; Al Anoud Zayed al-Mohannadi, director of Member Affairs at Qatar Chamber; Fatima al-Kuwari, head of Training at Qatar Chamber; and Iman al-Obaidli, executive director of the SDG Ambassadors Centre.

The forum brought together some 40 students from the SDG Ambassadors programme

During the forum, participants were introduced to the importance of sustainable development and environmental conservation. They also learned about Qatar Chamber's efforts in this field, as well as the initiatives, events and training programmes it organises to promote the Sustainable Development Goals among private-sector companies.

Participants were also briefed on the role of the Regional Network Consultancy in raising awareness of sustainable development.

Al-Abdulghani affirmed that Qatar Chamber places great importance on sustainable development, considering it a fundamental pillar for achieving balanced economic growth, preserving resources and supporting the prosperity of society for current and future generations.

He noted that the chamber is committed to encouraging private-sector institutions to adopt sustainable practices and supporting initiatives that combine economic development, social responsibility and environmental protection, in line with Qatar National Vision 2030.

He also stressed the importance of educating younger generations about sustainable development concepts and instilling in them the values of environmental conservation, responsible consumption and innovation, enabling them to contribute effectively to building a more sustainable and prosperous future.

Al-Ibrahim delivered a workshop titled 'The Sustainable Development Goals: Concept, Historical Development and the Role of SDG Ambassadors in Achieving Them'.

The workshop aimed to introduce participants to the evolution of the concept of sustainable development from its inception through to the adoption of the 17 Sustainable Development Goals, while highlighting their importance in achieving balanced economic, social and environmental development.

It also shed light on the pivotal role played by SDG Ambassadors in promoting a culture of sustainability, strengthening community partnerships, encouraging impactful initiatives and contributing to the localization of the Sustainable Development Goals within institutions and communities, in support of the objectives of the 2030 Agenda.

During the workshop, al-Ibrahim stressed that the success of sustainable development requires the integration of efforts by governments, the private sector, civil society organizations, academic institutions and individuals, who are all key partners in shaping a more sustainable and prosperous future for present and future generations.

Two SDG Ambassadors, Aisha Hassan al-Kuwari and Ibrahim al-Naimi, were awarded the honorary title of 'Child Ambassador for Social Responsibility' by the Regional Network for Social Responsibility, in recognition of their prominent role in promoting the Sustainable Development Goals at the national level.

IMF cuts Turkiye's 2026 growth forecast for second time this year

Reuters
Gdansk

The International Monetary Fund lowered its growth forecast for Turkiye's economy to 2.9% in 2026 from 3.4% projected in April, marking the second downward revision this year after it had already cut its forecast from 4.2% in its January outlook.

In its latest World Economic Outlook report released on Wednesday, the IMF said it now expects Turkiye's economy to grow 3.6% in 2027, slightly higher than the 3.5% forecast published in April.

The downgrade follows an earlier reduction in April, when the IMF cited weaker-than-expected economic activity and the impact of higher energy prices.

The latest revision leaves the Fund's 2026 forecast 1.3 percentage points below its January projection. In June, the Organisation for Economic Co-operation and Development (OECD) cut its 2026 growth forecast for Turkiye to 3.1% from 3.3%, citing weaker domestic demand, high energy and commodity prices, and tighter financial conditions.

Separately, In June the European Bank for Reconstruction and Development cut its Turkiye growth forecast to 3.5% from 4% for 2026 and to 4% from 4.5% for 2027.

IMF now expects Turkiye's economy to grow 3.6% in 2027, slightly higher than the 3.5% forecast published in April.

Adnoc Distribution set to buy Shell South Africa downstream business in $1bn deal

Reuters
Dubai

Adnoc Distribution has said it had agreed to buy Shell's downstream business in South Africa for an implied enterprise value of about $1bn, marking its largest overseas acquisition yet as it expands beyond the Gulf.

The acquisition of Shell Downstream South Africa, which includes 580 fuel stations as well as wholesale fuel, aviation and lubricants operations, would expand Adnoc Distribution's network by 55% to about 1,600 sites and increase fuel volumes by 20%.

South Africa would become Adnoc Distribution's fourth market after the United Arab Emirates, Saudi Arabia and Egypt, and is a step towards its ambitions to become a global fuel retail and convenience operator.

Adnoc Distribution's CEO Bader Saeed al-Lamki said the company was "still hungry for growth", adding that Africa and Southeast Asia are among its target regions.

The company expects the deal to increase earnings per share by 6% and earnings before interest, taxes, depreciation and amortisation by around 13% in the first full year after closing.

The deal could lead to higher payouts for shareholders, al-Lamki said. Adnoc Distribution's dividend policy through 2030 guarantees a minimum of $700mn a year, or 75% of net income if that is higher.

Cars queue at a Shell petrol station after the government announced reducing its fuel levy for a month to stop fuel prices rising even further, in Johannesburg, South Africa on March 31. The acquisition of Shell Downstream South Africa, which includes 580 fuel stations as well as wholesale fuel, aviation and lubricants operations, would expand Adnoc Distribution's network by 55% to about 1,600 sites and increase fuel volumes by 20%.

Adnoc Distribution enters a South African fuel retail market that has consolidated rapidly around commodities-trader-backed owners. Vitol's Vivo Energy became market leader after buying a majority of Engen from Malaysia's Petronas in 2024, while Glencore has run the country's second-biggest network since backing the acquisition of Chevron's Caltex stations in 2018.

A 28% stake in SDSA will be sold to a local partner and an employee stock-option plan after closing, in line with South Africa's Broad-Based Black Economic Empowerment legislation, leaving Adnoc Distribution with a 72% majority, it said. SDSA had fuel volumes of about 3.5bn litres and operated 360 convenience stores as of 2025.

Adnoc Distribution said South Africa's regulated fuel pricing framework offers gross margins per litre comparable to the UAE, insulating returns from inflation and currency volatility.

Before the US-Israeli war with Iran, about 60% of the country's refined product demand was met by imports, largely from the Gulf. "We are, first and foremost, a convenience and retail company," al-Lamki said when asked if his company would invest in refining, adding it would focus on the retail network, convenience stores, aviation, B2B and lubricants.

Adnoc Distribution will retain the Shell brand for the retail service stations and lubricants business under a long-term licensing agreement.

"Shell has been in South Africa for more than 120 years. Customers are used to it," al-Lamki said. "We believe there's value in retaining this brand."

Oman's OMIFCO surges nearly 20% on debut after raising $678mn

Reuters
Dubai

Shares of Oman India Fertilizer Company (OMIFCO) surged nearly 20% on their trading debut on Wednesday following a $678mn initial public offering, buoyed by a robust regional appetite for Gulf state-backed assets.

The stock jumped 18.6% to 185 baizas ($0.4806) from its offering price of 156 baizas, defying a slightly weaker broader market. Muscat's benchmark index slipped 0.1% amid renewed tensions between the US and Iran.

The deal valued the joint venture at about $2.7bn and ranks among the region's largest listings this year. The offering drew $12.2bn in aggregate demand — a record for an Omani IPO — and was 18 times oversubscribed.

Selling shareholders Omani state energy group OQ and India's IFFCO and KRIBHCO sold a combined 25% stake in the Sur-based ammonia and urea manufacturer.

Institutional books were 27.4 times oversubscribed, while retail demand reached 3.9 times.

Executives told Reuters they expect a $185mn baseline dividend for 2026, plus a $25mn special payout. The base dividend will increase by 3% annually for 2027 and 2028.

Despite the Iran war and interruptions to Strait of Hormuz traffic, OMIFCO's operations have remained undisrupted. CFO Abdullah Humaid al-Hashami said the recent regional conflict drove a temporary, three-to-four-month spike in urea and ammonia prices that is now normalising.

OMIFCO is evaluating an expansion project to double its capacity, with a final investment decision pending. The project will take about five years to complete following the decision.

India remains the company's primary market, receiving the bulk of its exports through offtaker OQ Trading.

"On average, around 50% to 60% will go to India because we are getting the highest netback anyway," al-Hashami said. "India is the highest importer of urea after China, and we are lucky to have India nearby with this high demand."

Saudi record oil price cut is seen unlikely to convince sated Asia buyers

Reuters
Singapore

The biggest price cut in more than two decades for Saudi Arabian crude oil sold to Asia still leaves the grade more costly to lift than some rival Gulf supplies, curbing appetite for oil from the Opec linchpin.

The world's top exporter slashed the August official selling price (OSP) on Monday for its flagship Arab Light crude to $1.50 a barrel below the average of Oman and Dubai quotes for Asia, down $11 from the previous month. It also cut the OSPs for its other four grades by $11 a barrel.

The sudden change reflects the US-Iran interim deal in June that has prompted more shipping to flow through the crucial Strait of Hormuz and a resumption of oil loadings, depressing global oil prices.

Oil traders said that not only have other Gulf suppliers also cut their prices to attract demand, but the sanctions waiver on Iran crude sales add to the competition for sellers. In addition, they said lifting crude from inside the Gulf still carried a risk given the shaky truce that is in place between the US and Iran, so reduced the incentive to buy.

"The sharp month-on-month cuts to Saudi term OSPs came as little surprise, with competing Middle Eastern spot grades trading at even deeper discounts," said Vortexa analyst Emma Li.

"Weak Asian demand, especially from China, together with the sanctions waiver on Iranian crude, has intensified competition among sellers and shifted the market in buyers' favour," Li said.

Saudi crude prices hit all-time highs in May after the US-Iran war prevented ships from sailing through the Strait of Hormuz, where a fifth of the global oil supplies used to flow.

Other Gulf producers, including the Abu Dhabi National Oil Co, Iraq's SOMO, and Kuwait Petroleum Corp, are selling crude at wide discounts to try to boost demand.

The National Iranian Oil Co is trying to revive buying interest from former Asian customers beyond the independent refiners in China during the 60-day US sanction waiver.

Multiple sources at Asian refineries and trading firms said August-loading Saudi crude will cost a few dollars per barrel more than other Gulf grades, while the cost of chartering a tanker to enter the Gulf remained high.

"I am getting Upper zakum and Das at -$7, so why will I buy more Saudi oil?" said a source at an Indian refinery. Another trader said: "Saudi oil from inside the strait is way more expensive."

For example, Adnoc's Upper Zakum crude is selling at $6-$8 a barrel below Dubai quotes for ship-to-ship transfer at Oman's Sohar port, with the cost of chartering a Very Large Crude Carrier at $4-$5 a barrel, he said.

The cost for a VLCC, which can carry 2mn barrels, to load at Saudi's Ras Tanura port inside the Gulf will be more than double that, making the economics more expensive, he said.

Another trade source estimated that it would cost $15 a barrel more to lift oil from inside the Gulf than outside.

As a result, the state oil giant is likely to continue selling its crude in the spot market as it competes with other Gulf producers, some of the sources said.

"Saudis are trying to prop up prices by refusing to go into a price war," one trader said, adding that the August OSP is higher than the Dubai benchmark which is about $3.70 a barrel below Dubai swaps on Monday.

"They know it's too expensive but they still hold onto their price," he said, adding that this could lead to a loss of market share for Aramco in Asia.

A general view of Saudi Aramco's Ras Tanura oil refinery and oil terminal. Saudi crude prices hit all-time highs in May after the US-Iran war prevented ships from sailing through the Strait of Hormuz, where a fifth of the global oil supplies used to flow.

QNB

QNB Group Delivers Net Profit of QR8.7 billion an increase of 3%

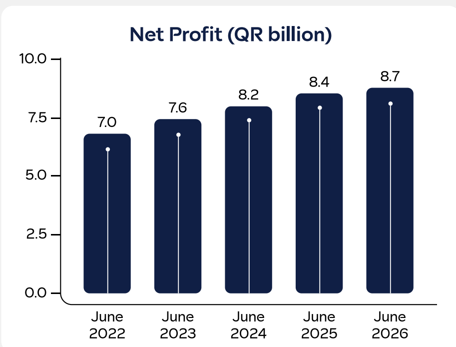
Net profit before the impact of hyperinflation for the six month period ended 30 June 2026 reached QR11.1 billion an increase of 12% compared to same period last year

International Presence

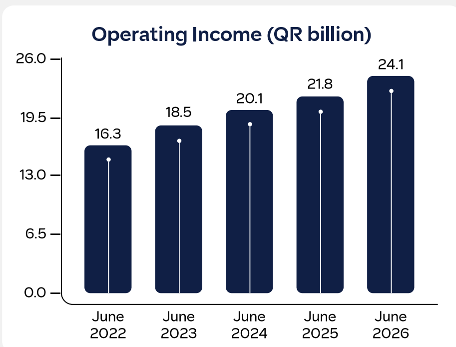
Subsidiaries & Associates of QNB Group

QNB Group	Country	% Ownership
QNB Capital LLC	Qatar	100%
QNB Suisse S.A.	Switzerland	100%
QNB Financial Services	Qatar	100%
QNB Tunisia	Tunisia	99.99%
QNB Turkiye	Turkiye	99.88%
QNB Egypt	Egypt	95%
QNB Indonesia	Indonesia	91.57%
Al-Mansour Investment Bank	Iraq	54%
QNB Syria	Syria	51%
Enpara	Turkiye	99.88%
Commercial Bank International	UAE	40%
Housing Bank for Trade and Finance	Jordan	38.6%
Al Jazeera Finance Company	Qatar	20%
Ecobank Transnational Incorporated	Togo	20%

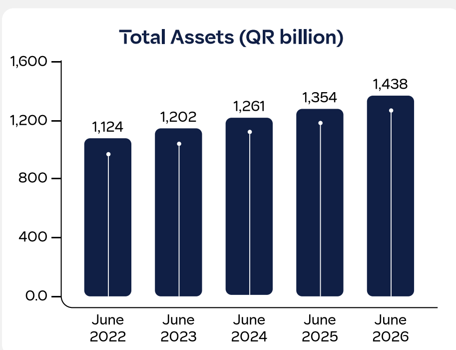
Operating income increased by 11% to QR24.1 billion



Net profit increased by 3% to QR8.7 billion



Operating income increased by 11% to QR24.1 billion



Total assets increased by 6% to QR1,438 billion

DOHA, Qatar – 8 July 2026 – QNB Group, a leading financial institution in the Middle East and Africa region, announced its results for the six months ended 30 June 2026.

Commenting on the results, Abdulla Mubarak Al-Khalifa, Group Chief Executive Officer of QNB said: "QNB Group has delivered another strong set of results in the first half of 2026, a testament to the soundness of our strategy and the successful execution by our dedicated team. While the regional and global environment presented challenges, our diversified business model and robust risk management framework enabled us to continue supporting our customers and delivering sustainable value for our shareholders. We remain confident in our outlook and committed to driving growth across our international network."

Key indicators of the financial results for the first half of 2026 were as follows:

Financial Highlights

(QR billion)	June 2026	June 2025	Increase
Net Profit	8.7	8.4	3%
Net Profit before impact of hyperinflation	11.1	9.9	12%
Operating Income	24.1	21.8	11%
Total Assets	1,438	1,354	6%
Loans and Advances	1,042	962	8%
Customer Deposits	973	935	4%
Total Equity	130	119	10%

Key Performance Indicators

	June 2026	June 2025	December 2025
Earnings Per Share (QR)	0.89	0.85	1.74
Cost to Income Ratio	24.1%	23.0%	23.3%
Loans to Deposits Ratio*	99.1%	96.6%	98.6%
NPL Ratio	2.5%	2.9%	2.6%
Coverage Ratio	99%	100%	100%
Capital Adequacy Ratio (CAR)	19.8%	19.2%	19.3%
Liquidity Coverage Ratio (LCR)*	145%	151%	144%
Net Stable Funding Ratio (NSFR)*	109%	103%	105%

*As per QCB regulations

Financial Highlights

Creating long-term shareholder value through sustainable and profitable growth

Income statement results: Net profit for the six months ended 30 June 2026 reached QR8.7 billion, an increase of 3% compared to same period last year, demonstrating the stable nature of QNB Group's financial results despite global headwinds. Operating Income increased by 11% to reach QR24.1 billion, reflecting the Group's ability to maintain successful growth across a range of revenue sources.

Hyperinflation in Turkey has remained persistent which has impacted the results for this period. Net profit before the impact of hyperinflation for the six month period ended 30 June 2026 reached QR11.1 billion, an increase of 12% compared to same period last year.

QNB Group's efficiency (cost to income) ratio stood at 24.1%, which is considered one of the best ratios among large financial institutions in the MEA region.

Balance sheet drivers: Total Assets as at 30 June 2026 reached QR1,438 billion, an increase of 6% from 30 June 2025, mainly driven by growth in loans and advances by 8% to reach QR1,042 billion. Customer deposits increased by 4% to reach QR973 billion from 30 June 2025, due to successful diversification of deposit generation.

Credit quality: The ratio of non-performing loans to gross loans stood at 2.5% as at 30 June 2026, one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. In addition, loan loss coverage ratio stood at 99%, demonstrating the prudent approach adopted by the Group towards non-performing loans.

Regulatory ratios: QNB Group's Capital Adequacy Ratio (CAR) as at 30 June 2026 amounted to 19.8%. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as at 30 June 2026 amounted to 145% and 109% respectively. These ratios are higher than the regulatory minimum requirements of the QCB and Basel III reforms requirements.

Resilience in a Dynamic Environment

The GCC region was marked by instability from late February 2026, which affected key maritime and energy supply routes. Throughout this period, QNB Group's, robust operating model, institutional framework, and investment in digital capabilities ensured all customers retained secure and reliable access to services. The banking system as a whole proved its resilience, contributing to a stable operating environment.

Business Continuity Management

QNB's well-established Business Continuity and Crisis Management framework was successfully activated, demonstrating the Group's operational resilience. Supported by resilient infrastructure, diversified operating capabilities, and close coordination with national authorities and regulators, these arrangements enabled the Group to sustain uninterrupted services and maintain full operational readiness.

Service Continuity and System-Wide Strength

All QNB branches and digital channels remain fully operational, providing a continuous and secure service. The resilience of the broader Qatari banking system was reinforced by the Qatar Central Bank (QCB), which noted the system's strong capitalisation and liquidity. Furthermore, proactive measures introduced by QCB, including enhanced liquidity facilities and temporary payment deferrals for affected borrowers, ensured market stability and are not expected to materially impact QNB Group.

Diversified Funding Sources

QNB Group successfully broadened its funding base, notably through a landmark issuance of a QR1.0 billion bond, the largest-ever local currency issuance by a Qatari financial institution to international investors. The strong demand from a diversified base of international investors, underscores robust confidence in both the Group and in Qatar's financial markets. This issuance, along with several private placements under its EMTN Programme, demonstrates our strategic contribution to the development of Qatar's capital markets, in line with the goals of the Qatar National Vision 2030.

Strong Capital Position and Shareholder Returns

QNB Group's Capital Adequacy Ratio remained strong at 19.8%, significantly above the regulatory requirements, this position of capital strength enabled the continuation of its share repurchase programme, providing a disciplined return of capital to shareholders. Since the programme's inception in 2024, QNB has repurchased 136.3 million ordinary shares at a total cost of QR2.3 billion.

Strategic Outlook

The strong performance in the first half of 2026 validates the Group's five-year corporate strategy, which focuses on enhancing its position as a leading financial institution in the MEA region. Looking ahead, we will continue to leverage our extensive international network across the Middle East, Africa, Asia and Europe to capture a larger share of cross-border trade and investment flows. Our strategic priorities remain diversifying our income streams and driving sustainable growth across the world's most dynamic markets.

About QNB Group

QNB Group is a leading financial institution in the Middle East and Africa, operating a diversified international banking platform across more than 28 countries and serving millions of customers worldwide. With a strong foundation in Qatar and the GCC, the Group supports corporates, institutions, and individuals through an extensive global network.

Call +974 4425 2444 or visit qnb.com.qa

Temasek targets big jump in AI investments as portfolio value hits record high

Reuters
Singapore

Singapore state investor Temasek said on Wednesday it was targeting a major increase in investments in AI companies, aiming to lift its exposure to the technology to as much as 15% over the next five years from 6% now.
Temasek, which owns stakes in Anthropic and OpenAI, also said its net portfolio value climbed to S$518bn ($400bn) last financial year, marking the second consecutive year that it has hit a record.
That represented growth of 10.5% in Singapore dollar terms or 14.8% in US dollar terms. The return compares with a 17% rise for MSCI's world stocks gauge, though Temasek's portfolio differs from public equity benchmarks in structure, mandate and asset mix.
Chief Executive Dilhan Pillay told a briefing that AI's rapid advancement represented "a pivotal phase that will create vast new opportunities."
He added that Temasek intended to deploy capital across five focus areas: energy and data centres, semiconductors, cloud service providers, foundation models and AI applications and software infrastructure.
Temasek would also be looking at its entire holdings through the lens of AI, he said.
"The rubber hits the road in AI adoption," he said. "The remaining 85% of our portfolio must be focused on AI adoption for competitiveness. That is where the rest of our portfolio will see value capture."
Temasek said its results last year were helped by gains from divestments and the performance of local companies.
It declined to disclose its stakes in AI companies and how those might have affected its performance.
While AI-related companies have seen huge surges in valuations, Temasek said it has also had to contend with an uneven Chinese economy and war in the Middle East, which set off market swings that pulled down its portfolio value by 2% in the final month of the financial year.
"This is one of the most challenging environments that we have had to navigate as investors," Pillay said.
On a longer-term basis, Temasek logged an annualised 10-year return of 7.1% and a 20-year return of 6.8%.
Its five-year return of 4.6% was dragged down by China lagging global markets from 2021 to 2024.
Temasek said China valuations have since rebounded and its underlying China exposure rose by S$10bn over the year.
As part of efforts to offset the AI-driven part of its portfolio, which it described as high-growth but volatile, Temasek said it was also planning to increase its exposure to more stable areas such as private credit and what it calls "core-plus" infrastructure.
It aims to lift exposure to private credit to 5% by 2031 from 2% with a focus on senior secured debt. That plan comes despite the industry entering a more cautious phase, as managers contend with softer fundraising, elevated redemption requests and closer scrutiny of loan quality.

Temasek, which owns stakes in Anthropic and OpenAI, also said its net portfolio value climbed to S$518bn ($400bn) last financial year, marking the second consecutive year that it has hit a record

India central bank backs crypto ban; tax department warns of evasion risks

- India has 39mn crypto investors holding $2bn in assets
- Central bank says lenders should be barred from exposure to crypto assets
- Use of offshore exchanges presents tax compliance issues, tax department says
- Documents signal shift from favouring limited regulatory clarity to battling for tighter curbs

Reuters
New Delhi

A man stands in front of the Reserve Bank of India (RBI) logo inside its headquarters in Mumbai. At present, Indian banks are not prohibited from dealing in cryptocurrencies, but major lenders have avoided them following repeated warnings from the RBI.

India's central bank has reasserted a call for a crypto-currency policy "leaning towards prohibition," while the country's tax department warned that trading via offshore exchanges is hard to track, government documents reviewed by Reuters showed.

The documents reveal a preference among key Indian agencies to use tighter curbs on virtual digital assets, even though the government has yet to adopt a policy to ban or regulate them.

India has allowed cryptocurrencies to exist in a grey zone since a court in 2018 struck down Reserve Bank of India (RBI) policies that effectively banned them.

A 2021 draft legislation to ban private cryptocurrencies was never introduced in Parliament, and a discussion paper on the matter has been deferred repeatedly. The government has delayed implementing a formal policy on virtual assets, saying any plan should balance innovation with risk management while protecting monetary sovereignty, financial stability and safeguarding against consumer losses.

In September in internal discussions, India's finance ministry, after consultations with the RBI, backed limited regulatory clarity for virtual assets, arguing that existing tax and other laws had helped contain risks from the asset class, Reuters reported.

The latest documents signal that key authorities are concerned about growing risks to the country's financial stability as cryptocurrencies continue to be traded without clear rules.

India's finance ministry and the RBI did not respond to Reuters requests for comment.

Cryptocurrencies have gained greater acceptance globally following policy changes in the US, where legislation backing broader use of stablecoins has fuelled expectations of wider adoption.

While countries like Japan and Singapore have moved to regulate cryptocurrencies, China has prohibited the use of such tokens.

Despite India's policy ambiguity, the country has nearly 39mn crypto investors who held about $2.1bn in digital assets at the end of May, according to estimates from the government.

The RBI, which has repeatedly warned about crypto-related risks, reasserted that policies "leaning towards prohibition" may be warranted.

It said banks and financial institutions should be barred from holding, trading or gaining exposure to crypto assets and privately issued stablecoins to limit contagion risks, documents from May and June showed.

At present, Indian banks are not prohibited from dealing in cryptocurrencies, but major lenders have avoided them following repeated warnings from the RBI.

The central bank's inclination is towards prohibition to keep cryptocurrencies outside of the regulated financial system, a source familiar with the RBI's thinking said, requesting anonymity as they were not authorised to speak to the media.

The RBI has warned against stablecoins as well.

While stablecoins backed by foreign currencies pose a threat to domestic sovereignty, rupee-backed tokens could reduce the government's income from issuing its fiat currency and pose risks to financial stability during times of market stress, according to the RBI.

Allowing stablecoins could also make cryptocurrency gains more difficult to detect and tax by reducing the need to convert holdings into fiat currencies. India imposes taxes on gains made from cryptocurrencies at 30%.

India's tax department has found instances of misreporting of cryptocurrency holdings in disclosures filed under income tax laws, according to the documents.

The department's findings showed that fewer than a quarter of the 645,000 individuals who made cryptocurrency transactions in the financial year that ended in March 2023 reported them on their tax returns.

Transactions routed through overseas exchanges and private wallets make it harder to identify beneficial owners and then recover taxes, while rupee-denominated, peer-to-peer trades make taxable income harder to track, the tax department said.

Global crypto exchanges like Binance and Coinbase can operate in India after registering with a government agency.

The tax department also warned that price volatility and the absence of uniform valuation standards complicated the assessment of crypto assets for tax purposes.

Japan's Mideast crude supply to rebound in July as stranded vessels exit Strait of Hormuz

Reuters
Tokyo

Japan will receive a boost in Middle East crude supply this month as two more stranded Japanese-owned supertankers carrying Saudi oil were exiting the Strait of Hormuz on Tuesday, shipping data showed.
The two tankers joined a fleet of previously stranded vessels that left a day earlier, raising the total volume of crude oil aboard Japan-linked vessels exiting the strait to 16mn barrels this week, reducing the amount of oil stuck in the Gulf.
One of the tankers is owned and managed by Nippon Yusen KK and the other is owned and managed by Kawasaki Kisen Kaisha, LSEG data showed. Each of them loaded 2mn barrels of Saudi crude on March 1, Kpler data showed.
The companies did not respond immediately to requests for comment.
A spokesperson for the Japanese Shipowners' Association said on Tuesday that the number of Japanese-related vessels remaining in the Gulf had fallen to 26 from 45 at the start of the conflict.
On Monday, six very large crude carriers loaded with 12mn barrels of Middle Eastern crude, two chemical tankers, a vehicle carrier and a container ship, all linked to Japan, exited the strait. The tankers are carrying crudes from Saudi Arabia and the United Arab Emirates that were loaded in late February to early March.
Most of these vessels are managed by Japanese shipping company Mitsui OSK Lines (MOL).
Besides the stranded vessels, five VLCCs laden with Saudi oil from Ras Tanura port are tentatively signalling for Japan after the world's top exporter resumed loadings in late June at its largest port located inside the Gulf, Kpler data showed.
Japan, which had relied on the Middle East for 94% of its crude supply before the Iran war broke out in February, saw its oil imports slumping in April to the lowest level in more than 60 years after supply from the Gulf oil-producing region tumbled 68% on-year.

South Africa's rand could be ready for more gains against the dollar

By Peter Stoneham
New York

The South African rand has spent much of this year in a holding pattern after strong gains in 2025, but technical analysis suggests a fresh advance by the currency against the US dollar could be on the cards.
The rand's resilience has been underpinned by South Africa's high interest rates, which have made the currency attractive to global investors seeking better returns. The dynamic helped shield it even as geopolitical tensions surrounding the Iran conflict rattled sentiment about emerging markets.
Traders usually quote the South African exchange rate in rand per dollar, so a fall on the chart means it is strengthening against the US currency.
The dollar halted its slide against the rand at 15.6525 in January, according to LSEG data. The dollar then rose to 17.2525 in March as the outbreak of the US-Israeli war with Iran caused risk aversion. However, that dollar bounce proved short-lived, and since then the exchange rate has settled into a tightening triangle formation that technical analysts refer to as a pennant.
A pennant forms when a sharp directional move — in this case a steep dollar decline — is followed by a period of price compression, where highs edge lower and lows creep higher, like a coiled spring. Because the pattern follows a clear downtrend in the dollar, traders typically interpret it as a pause before a continuation lower.
The dollar is currently pressing against the lower boundary of the triangle at 16.19. A sustained break below that level would signal the dollar's bearish trend — and the rand's strengthening move — is resuming. If so, it would increase expectations that the rand could rally further to 11.91 — an ambitious but technically derived level, calculated by projecting the length of the preceding decline below the pattern.
However, a rally in the dollar above 16.6065 would negate the setup entirely.

■ *Peter Stoneham is a Reuters market analyst. The views expressed are his own.*

Oil refiners' Hormuz windfall may prove short-lived

By Ron Bousso
London

Oil refiners around the world have seen profits surge thanks to a rare combination of robust fuel demand and weak crude prices, as markets have rapidly readjusted following the reopening of the Strait of Hormuz. The windfall is unlikely to last.
The benchmark US 3-2-1 crack spread, a widely watched measure of refining profitability, recently climbed above $60 a barrel, the highest level on record. Refining margins in Asia and Europe have also risen sharply.
Refining profitability is determined by two factors: the cost of crude oil and the price of the gasoline, diesel and jet fuel produced from it. At the moment, both are moving in refiners' favour.

CRUDE AWAKENING

When it comes to feedstock costs, the tide has turned dramatically since the US and Iran signed an interim ceasefire agreement on June 17. Only last month, crude markets were grappling with an extreme supply shortage caused by the closure of the Strait of Hormuz. Today, the market is instead being flooded by hundreds of millions of barrels of oil that had been stranded in the Gulf during the blockade.
Total Middle East crude exports, including volumes shipped through ports in Saudi Arabia and the United Arab Emirates that bypass Hormuz, rose to 12.35mn barrels per day in June from less than 8mn bpd in May, according to Kpler data. July exports are currently expected to reach 12.5mn bpd, Kpler estimates.
Although regional exports remain well below their pre-war average of around 18mn bpd, the sudden release of large volumes of crude has created a temporary glut. That shift is reflected in global benchmark Brent crude futures, which have retreated to around $70 a barrel, roughly where they traded before the Iran conflict erupted on February 28 and $50 below the wartime peak.
Conditions in the physical market are even more bearish. Gulf producers, particularly Saudi Arabia and the UAE, are competing for market share, leading to aggressive pricing and discounts on cargoes.
This dynamic could persist for months. Producers are not only releasing crude stored on tankers and in onshore facilities, but also bringing back oilfields that were shut during the conflict. The result is a growing wave of supply hitting a global market facing questions about demand growth.

A RARE WINDFALL

Refiners are also enjoying a windfall on the products side of the equation. Fuel prices remain remarkably strong, reflecting exceptionally tight inventories after months of disruption. In the US, the world's largest oil consumer, gasoline refining margins have surged by more than 60% since early June to over $56 a barrel, approaching the record highs seen during the energy crisis of June 2022 following Russia's invasion of Ukraine.
The strength comes as the US enters the peak summer driving season with gasoline inventories for this time of year at their lowest level in more than a decade. Stocks were heavily depleted during the Iran war as US refiners boosted exports to help compensate for shortages elsewhere in the world.
Diesel markets are displaying a similar pattern. Benchmark European diesel refining margins climbed above $50 a barrel as global inventories fell sharply in recent months, leaving consumers with very little buffer against supply disruptions.
The outlook has tightened further following a steep decline in Russian diesel exports caused by repeated Ukrainian drone attacks on Russian refineries, a situation that appears to be getting worse.

THE SPOILS OF A PRICE WAR

One sign of how unusual today's market conditions are is the extraordinarily thin gap between crude prices and refinery margins. The spread between US benchmark West Texas Intermediate crude prices (WTI) and the 3-2-1 crack spread is currently at its narrowest level in around a decade, excluding a brief period during the COVID-19 pandemic when WTI collapsed into negative territory.
Historically, such a relationship is difficult to sustain. Strong fuel demand usually translates into stronger crude demand as refiners compete for feedstock, pushing oil prices higher.
Something ultimately has to give: either crude prices will rise, fuel prices will fall, or both.
For now, the outlook for fuel markets remains supportive. Given the extreme tightness in global inventories, demand for gasoline, diesel and jet fuel is likely to remain robust for several months.
The most likely outcome is that crude prices will rise as today's mini-glut fades and stored barrels are absorbed by the market in the next few months.
That would gradually erode refiners' exceptional margins, bringing profitability back toward more normal levels.
Refiners are currently enjoying a rare sweet spot. But the post-war bonanza may prove as short-lived as the market dislocation that created it.

A small tanker sails near an oil refinery, in the Keihin Industrial Zone in Kawasaki, south of Tokyo. Refining profitability is determined by two factors: the cost of crude oil and the price of the gasoline, diesel and jet fuel produced from it. At the moment, both are moving in refiners' favour.

■ *The opinions expressed here are those of Ron Bousso, a columnist for Reuters.*

Shanghai nickel breakout signals new metals trading landscape

By Andy Home
London

The world of metals trading is changing and so too is the way metals are traded. Politics and war have broken what were once highly globalised supply chains into more regionally diverse parts.
The metals world is drifting away from a single global benchmark set by the 149-year-old London Metal Exchange (LME), now owned by Hong Kong Exchanges and Clearing.
The Shanghai Futures Exchange's (ShFE) opening of its nickel contract to overseas firms in April is a sign of this changing reality. Shanghai is already the dominant force in establishing benchmark metals prices in China's domestic market.
Now ShFE is looking to extend that reach across the Asian region, capitalising on the Chinese nickel ecosystem that links mines in Indonesia with refineries on the Chinese mainland. This is not a winner-takes-all struggle between London and Shanghai or indeed the CME Group in the United States.
The proposed cross-listing of Shanghai's flat steel contract in London shows there are opportunities for all in this more fractured trading landscape.
The ShFE has been toying with opening up trading to international players for several years as part of Beijing's drive to internationalise the renminbi.
Nickel is an obvious choice for a trial run.
Thanks to Chinese investment, Indonesia has become the world's dominant supplier in the space of little more than a decade.
A wide array of nickel products flows to the Chinese mainland to feed the country's huge stainless steel and electric vehicle battery sectors.
The Sino-Indonesian nickel trade offers the perfect forum for a shift in regional pricing to China and the Chinese yuan.
It is also a timely booster for the Shanghai nickel contract, which took a harder volume hit than London after the2022 crisis, when a melt-up in prices forced both exchanges to suspend trading.
Shanghai nickel futures trading volumes tripled in the first half of this year relative to 2025, although the comparison is flattered by the 30.5mn metric tonnes traded in January, when markets were in the grip of feverish speculative excess.
How's this affected the LME? London nickel futures volumes also rose by 22% year-on-year. Including options, nickel registered the strongest growth among the core LME base metal products in the January to June period.
So far, it seems to be what the Chinese call a win-win situation.
However, it's also noticeable that while LME nickel stocks have topped out, Shanghai inventory has kept on building to levels last seen in 2017.
Surplus Chinese metal is now gravitating towards ShFE warehouses and away from LME storage, suggesting the emergence of two discrete physical pricing centers.
While ShFE is grabbing a share of the international nickel action, the LME is grabbing some of the Chinese steel action in the form of a US dollar futures contract settled against the Shanghai hot-rolled coil (HRC) steel contract. Trading is due to start in October.
The LME already has a Chinese HRC contract, settled against price reporting agency Argus' assessments of export cargoes in the Chinese port of Tianjin.
But volumes are dwarfed by Shanghai's domestic contract for the simple reason that China is by some margin the world's largest steel market. The LME's China HRC contract traded 1.4mn tonnes of steel last year. The Shanghai contract traded 1.7bn tonnes.
Just as Shanghai's nickel foray may be a template for other metals, so does this LME-ShFE steel tie-up look like a test run for future collaboration.
This opening up of Chinese pricing is of course a reflection of the country's centrality to both production and demand across the metallic spectrum.
But the eastwards drift reinforces the sense of global markets becoming more regional markets. Copper traders already know what that feels like. The CME's US contract has diverged wildly from the LME price ever since President Donald Trump raised the prospect of US import tariffs in February last year.
There are now two Doctor Coppers, one residing in Washington and one trying to gauge what's happening in the rest of the world. There may soon be three, if Shanghai goes international with its copper contract as well.
As physical trade patterns realign, the scope for regional arbitrage increases, which seems to be what is already happening in the nickel market.
Globally, base metals trading volumes everywhere have been growing. The LME had a record volume year in 2025 and turnover rose by another 18% year-on-year in the first six months of 2026.
Shanghai's base metals contracts all saw significantly increased activity in the first half of the year with the single exception of zinc.
CME, meanwhile, is enticing retail investors into the metals space. Its micro copper contract saw volumes jump by 76% year-on-year in the first half of 2026.
Turnover reached 3.5mn tonnes even though the contract is a tenth the size of its flagship contract.
Trading activity on the CME's weekly copper options suite has increased more than fourfold this year relative to last.
Rather than a fight for a share of a static pie, the world's big three metals exchanges appear to be benefiting equally from an expanding pie as more participants trade more metal in more parts of the world.

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

IMF edges 2026 global growth forecast lower again to 3%

IMF raises headline inflation forecast to 4.7% for 2026; world trade growth to ease to 3.5% in 2026 vs 5% in 2025; global economy has weathered shock of war better than expected, but risks remain

Reuters
Washington

A view of the International Monetary Fund logo at its headquarters in Washington, DC. The IMF yesterday inched its 2026 global growth forecast lower again to 3.0%, warning of ongoing risks posed by the war in the Middle East, trade fragmentation and potential corrections in market expectations for AI.

The International Monetary Fund (IMF) on Wednesday inched its 2026 global growth forecast lower again to 3.0%, warning of ongoing risks posed by the war in the Middle East, trade fragmentation and potential corrections in market expectations for AI.

The global lender said the world economy had dodged a sharper downturn as a result of the war, with demand-driven momentum in the tech sector helping to offset a war-related drop in energy supplies. Growth should rebound to 3.4% in 2027, but that is still below the average of 3.5% seen in 2024 and 2025.

The IMF raised its 2026 headline inflation forecast by 0.3 percentage points to 4.7% from April, but said it should drop to 3.9% next year.

Energy prices were 25% higher now than before the war began on February 28 and would remain higher, it said. The new forecast assumes the Strait of Hormuz will start to reopen in mid-July, reaching prewar conditions by March 2027.

"The global economy as a whole has, so far, weathered the shock from the war better than feared," the IMF said in an update to its World Economic Outlook, noting the outlook was brighter for energy exporters and countries that are closely integrated into the technology sector, while commodity importers that are not well-positioned to benefit from AI developments generally saw downgrades in their growth forecasts.

Growth in global trade was projected to slow sharply to 3.5% in 2026 from 5% in 2025, a year marked by heavy front-loading ahead of US tariffs, before rebounding to 4.3% in 2027.

Deniz Igan, chief of the IMF Research Department's World Economic Studies division, said the global economy was proving more resilient than expected in April, despite the impact of the war and the closure of the Strait of Hormuz.

Prices were higher, confidence was down, but the release of strategic oil reserves and commercial inventories - along with rising energy efficiency - had helped to offset supply shortages. The private sector had also adapted quickly, finding alternative routes and supplies. "So far things have been okay, but that doesn't take away the risk factors that are there, particularly with the war," she told Reuters.

A collapse of the peace deal and renewed fighting could pose big risks, since countries have largely tapped out their reserves and would have less room to maneuver.

The US military unleashed a new wave of strikes against Iran on Tuesday and revoked a license allowing the country to sell oil after three tankers were hit in the Strait of Hormuz, putting pressure on an already fragile ceasefire.

"A renewed conflict in the region is going to catch the global economy in a worse position than it was the first time," Igan said, adding that a simultaneous push by many countries to rebuild their oil reserves could also trigger a spike in prices.

"If there is a perception that this is going to be more prolonged, then both the incentive and the room to use those reserves is going to shrink very fast," she said. Inflation and inflation expectations have risen, but mostly in the short-term, and there was little evidence thus far that expectations were shifting in the medium term, Igan said.

The IMF's updated World Economic Outlook dropped the three separate scenarios it had released in April, before the United States and Iran reached a ceasefire deal, reverting to a more traditional baseline forecast. Comparisons were made to the April reference forecast that assumed a shorter war.

The IMF left its 2026 growth forecast for the US economy unchanged at 2.3% and raised its 2027 forecast by 0.1 percentage point to 2.2% from the April forecast.

It lowered the 2026 growth forecast for the euro area to 0.9% from its previous forecast of 1.1% in April, and left its 2027 forecast unchanged at 1.2%.

Japan's growth forecast for 2026 edged lower by 0.1 percentage point to 0.6%, with the 2027 forecast raised by the same amount to 0.7%.

Emerging market and developing economies also saw a 0.1 percentage point cut in their growth forecast to 3.8% in 2026, while the 2027 forecast was raised by 0.3 points to 4.5%.

China's growth was now expected to reach 4.6% in 2026, up from the April forecast of 4.4%, with 2027 growth expected to reach 4.1%, up from 4% in April. India, one of the world's fastest-growing economies, also got a small downgrade to 6.4% for 2026 from 6.5% in April, but the IMF lifted its 2027 forecast to 6.7% from 6.5%.

The Middle East and Central Asia region, hardest hit by the war, saw its growth forecast cut by 1.2 percentage points to 0.7% from the April forecast, although the IMF also raised its 2027 forecast by 1.9 percentage points to 6.5%.

AI boom drives intangible investment to record level: UN

AFP
Geneva

The AI boom has helped drive investments in intangible assets such as software, data and research to a record high in 2025, the United Nations' patent and innovation agency said on Wednesday.

These investments, which encompass research and development, software and data, brands, design and organisational know-how, represent a large and growing share of the global economy, the World Intellectual Property Organisation said.

Across the 29 economies studied, which account for 57% of global GDP, intangible investment "reached an all-time high" of over $10tn in 2025, according to WIPO.

The study included the United States, EU nations, Britain, Japan, India as well as other countries. However, China, the world's second-largest economy, was not among the nations covered.

The record figure was detailed in the World Intangible Investment Highlights 2026, which WIPO co-published with the Rome-headquartered Luiss Business School.

Since 2008, intangible investment has grown by 3.5% annually in real terms; way ahead of tangible investments, which saw annual growth of just 0.98% over the same period, the study said.

"These figures point to a durable structural shift in the composition of investment, with intangible assets playing a growing role in value creation," WIPO said.

The United States accounts for the largest share of intangible investment by far, reaching nearly $5tn in 2025.

This was around six times the level in second-placed Japan, with Germany third.

Sweden retains its position as the most intangible-intensive economy, reaching 17.4% of GDP in 2025, followed by the United States at 15.6% and France at 15.2%.

Meanwhile India, Japan and the Philippines recorded the fastest growth, said WIPO.

The report said intangible investments proved more resilient than tangible ones in the face of high interest rates, trade tensions and the economic slowdown seen in recent years.

Between 2020 and 2025, they grew by 5.5% annually in real terms, compared to 3.2% for tangible investments.

The report said artificial intelligence was playing a major role in the transformation.

Apple announces deal worth $30bn with Broadcom for US-made chips

AFP
San Francisco

Apple on Wednesday announced a multiyear agreement worth more than $30bn with chipmaker Broadcom to design and produce chips in the United States.
The deal, which would yield more than 15bn domestically manufactured chips, forms part of Apple's broader pledge made to the Trump administration to invest $600bn in the US economy over four years.
Apple under outgoing CEO Tim Cook has faced sustained pressure from President Donald Trump over its heavy reliance on overseas manufacturing, mainly in China.
The tech giant has sought to demonstrate growing domestic investment as trade tensions and tariff threats from Trump imperil its business model. The agreement is the largest yet under Apple's American Manufacturing Program (AMP), launched last year to boost domestic production and build what the company described as an end-to-end silicon supply chain in the United States.
"The cutting-edge components built in Fort Collins are essential to delivering the incredible performance and connectivity our customers expect," Cook said, thanking Trump and his administration for backing the effort.
Broadcom chief executive Hock Tan called

Apple yesterday announced a multiyear agreement worth more than $30bn with chipmaker Broadcom to design and produce chips in the US

the expanded commitment a chance to grow the company's manufacturing presence in the US state of Colorado, "where we create groundbreaking technology that connects people around the world."
After a long history of turning to companies like Intel for chips, Apple has spent more than a decade building a custom chip-making empire for its signature products like the iPhone and MacBook.
Its own processors for mobile devices and PCs rely on contract manufacturers -- chiefly Taiwan Semiconductor Manufacturing Company (TSMC) -- for production.

'Global AI industry falls short on safety'

AFP
New York

US artificial intelligence lab Anthropic scored the highest in a semiannual safety ranking, but globally the industry fails to combat "existential" threats, according to a report.

Meta moved up two spots to fourth place, while xAI dropped three spots to seventh place, just ahead of China's DeepSeek and France's Mistral, which placed last, according to US-based AI safety think tank Future of Life Institute, which ranked nine of the world's leading AI companies.

Seven researchers and governance experts determined the rankings based on public data and information provided by the companies.

They evaluated efforts across six distinct categories: Risk assessment, current harms, safety frameworks, existential safety, governance and accountability, and information sharing.

No company received an "A" in any single category, while Anthropic got the best overall score of "C+."

Mistral was included on the list for the first time, though when asked by AFP to comment on its last place, the company said the report's framework isn't suited for its approach to developing AI models.

The French company develops so-called open models, which allow users to download and modify them. Many of its competitors develop closed AI models -- including Anthropic, OpenAI and Google DeepMind, which are also included in the report.

"I was very disappointed to find that they came last, especially since Europe has really…been a leader in AI safety," Max Tegmark, an MIT professor and Future of Life president, told AFP.

"We reached out many, many times" but Mistral did not respond to the organization's survey, Tegmark continued.

Alibaba, xAI and DeepSeek did not respond to its survey either, the organization said.

Three Chinese developers included in the report also produce open models and landed in the bottom half of the ranking: DeepSeek (fifth), Alibaba Cloud (sixth) and Z.ai (eighth).

The report noted that several companies that previously banned their technology from military uses have "gradually reversed course," including Anthropic, which the report criticised for having "questionable military engagements."

The US government used Anthropic's technology in military operations in Venezuela and Iran over the past year, according to various media reports -- though the company was subject to a recent ban by the Pentagon over disagreements on AI safety.

All nine companies are failing when it comes to combating "existential" threats such as pursuing models that reach human-level intelligence, known as "artificial general intelligence" or AGI, the report said.

Although "constructive attempts exist," efforts across the board are "entirely inadequate."

Other risks include the possible misuse of a model to carry out a cyberattack or perform tasks potentially harmful to humans.

Anthropic was thrust into the spotlight recently after it released its most powerful model yet, called Mythos.

In early April, the San Francisco-based company released Mythos only to a handful of trusted organizations due to its abilities to expose cyber safety vulnerabilities to bad actors.

Eurozone bond yields surge after Trump says Iran deal is 'over'

Eurozone bond yields rise 8-12 bps across board; Trump says he thinks Iran MoU is 'over'; oil prices jump 6%, pushing up bets on ECB rate hikes

Reuters
London

Eurozone bond yields rose sharply on Wednesday to their highest levels in a month after US President Donald Trump said he thought the interim agreement to end the war with Iran was over, causing oil prices to jump.

Germany's 10-year bond yield rose 8.5 basis points to 3.072%, its highest since June 11, as traders added to their bets on further European Central Bank rate hikes this year. Yields move inversely to prices.

Asked before a NATO summit in Turkey whether the memorandum of understanding agreed last month to end the war was over, Trump said: "It's a very interesting question. To me, I think it's over. I don't want to deal with them."

The comments came after Iran's Revolutionary Guards said they targeted US military sites in Bahrain and Kuwait on Wednesday after the US launched a wave of strikes on Iran in response to attacks on tankers in the Strait of Hormuz. The US also revoked a licence allowing Iran to sell oil.

Energy prices jumped, with international benchmark Brent crude up 7% to $79.20 a barrel, the highest in two weeks.

Oil prices have fallen sharply - from as high as $126 a barrel in late April - since the US and Iran reached a deal to end their war in mid-June, which started further talks on a range of issues, such as sanctions, and allowed energy to start flowing through the key Strait of Hormuz.

Traders added to their bets on ECB rate hikes on Wednesday, with money markets last pointing to 36 bps of further monetary tightening by the end of the year, up from 25 bps on Tuesday. Germany's 2-year bond yield, which is sensitive to ECB rate expectations, rose 9 bps on Wednesday to 2.682%, also its highest since June 11.

"It's a big wake-up call for the markets because the expectation was that, following the MOU, we were likely to start to see the flow of oil coming back into the markets," said Aneeka Gupta, a director of macroeconomic research at WisdomTree.

"What has changed materially is the (Iranian) oil waiver is gone," she said. "It's removed a very key incentive for Iranian compliance."

Gupta added that the so-called TACO trade - "Trump always chickens out" - was still at play and that the US president could still reverse his view on the MoU, especially as he was likely to want US fuel prices lower ahead of the midterm elections in November.

Italy and France's 10-year bond yields were both up 12 bps on Wednesday after Trump's comments .

Italy's UniCredit secures 17.6% of Commerzbank in takeover bid

AFP
Rome

UniCredit said yesterday it had secured an additional 17.6% stake in Germany's Commerzbank as part of its hostile and highly political takeover bid to create a European giant

Italy's UniCredit said on Wednesday it had secured an additional 17.6% stake in Germany's Commerzbank as part of its hostile and highly political takeover bid to create a European giant. UniCredit said in a statement that "shares representing 17.60% of Commerzbank's outstanding share capital have been tendered, well ahead of original expectations".

UniCredit said that this added up to 49.65% of Commerzbank voting rights, taking into account its directly held 26.77% stake and different financial instruments.

"The completion of the tender offer periods represents a further step in the execution of UniCredit's strategic investment in Commerzbank," UniCredit, Italy's second biggest lender, said.

But Commerzbank said that the acceptance rate among independent shareholders had been "low", which was "clear evidence of the low attractiveness of the offer".

Commerzbank said in its statement that "shares held directly by UniCredit, reported derivative positions, and tendered shares should not be interpreted as one aggregated overall position".

"We have taken note of the results of the takeover offer. We will continue to focus on the interests of our clients, employees, and shareholders," Commerzbank CEO Bettina Orlopp was quoted as saying.

UniCredit shares were down 3.30% on the Milan stock exchange. The Milan-based bank launched its bid, valued at 35bn euros ($40.6bn), in early May to gain control of its German rival and cement its status as a European heavyweight.

The offer price has been widely seen as too low and marks the latest move in UniCredit's relentless pursuit of Commerzbank that has sparked fury from the lender and top German politicians.

Vitol is making early preparations to open an office in Venezuela

Reuters
Houston

Geneva-headquartered trader Vitol is making early preparations to open an office in Venezuela, three sources with knowledge of the matter said, as global trading houses expand their role in the Opec country's oil exports under a pact agreed between Caracas and Washington earlier this year.

Vitol, Trafigura and other trading firms have been exporting the lion's share of Venezuela's oil output this year under agreements with state oil company PDVSA that are overseen by President Donald Trump's administration, redirecting barrels once bound for China to the US, Europe and the Caribbean.

An initial $2bn oil supply pact agreed with Vitol and Trafigura in January for up to 50mn barrels of oil exports through the traders was later expanded to more than 100mn barrels, US and Venezuelan officials have said. Despite the rapid growth of oil trading deals, foreign investment encouraged by Washington has developed more slowly, with companies signing non-binding letters of intent and technical agreements while assessing conditions to determine whether to return to Venezuela or expand operations there.

Vitol's plans to strengthen its position in the South American country suggest confidence in the continuation of the oil pact while potentially opening the door to additional business opportunities, the sources said.

The Caracas office would initially offer jobs to about a dozen people, mainly in trading-related roles, one of the sources said. "For many years Vitol has had a strong relationship with PDVSA," Henry Medina, Vitol's head of Latin America, told Reuters in an e-mail, without elaborating on specific plans. "We look forward to building on this and developing additional partnerships in Venezuela, as well as a meaningful presence in the country."

The Venezuela unit is expected to be led by Mario Pantoja, who worked for Chevron for 35 years and most recently managed the company's oil marketing business in Venezuela, two of the sources said.

Chevron began expanding its workforce in the country after receiving a broad US licence for Venezuela in late 2022, giving it a head start when the US announced a $100bn energy reconstruction plan for Venezuela and began lifting sanctions this year.

Chevron is now competing with Vitol and Trafigura for market share, while negotiating oilfield expansions in Venezuela expected to lead to higher output and exports.

Trafigura, meanwhile, has already opened an office in Caracas following the oil deal it signed with Venezuela and currently has two employees there. Most of the company's traders covering the region are based in Montevideo, Uruguay, where its back office functions are located, separate sources said. Trafigura declined to comment on its Venezuela plans. Chevron and PDVSA did not immediately reply to requests for comment.

At least three smaller trading firms - George E Warren, BGN International and Novum Energy - have also participated in exports of Venezuelan oil and fuel this year, while some US and Indian refiners have begun buying oil cargoes directly from PDVSA, according to shipping records and tanker monitoring data. Venezuela produced 1.18mn barrels per day (bpd) of crude in May, according to figures it reported to Opec, and it forecasts it will reach 1.37mn bpd by year-end. In June, it exported 1.2mn bpd of crude and fuel, with the trading firms handling 64% of the total, according to the data.

Fed policymakers' inflation concerns mounted at June meeting, show minutes

June forecasts showed split between holding rates steady and raising them at least once this year; the June policy statement dropped all forward guidance, cut descriptions of current economic conditions; a few participants saw case for raising rates at June meeting

Reuters/AFP
Washington

Federal Reserve chairman Kevin Warsh.

Concern about high inflation mounted at the US central bank's meeting last month, as officials followed Federal Reserve Chairman Kevin Warsh's lead to a more stripped-down policy statement even amid concerns that price increases were broadening and might require interest rate hikes.

A few participants at the June 16-17 meeting saw a case to raise rates right away.

But the broader debate seemed evenly divided, minutes of the session showed on Wednesday, with "most participants" seeing scenarios in which inflation would fall towards the Fed's 2% target on its own, and "most" also seeing situations where it would remain high. "Almost all" of that group considered a rate increase as necessary if that occurred.

"Participants generally assessed that information received over the inter-meeting period suggested that upside risks to price stability remained elevated while downside risks to achieving maximum employment had moderated a bit," the minutes said.

Ultimately, "all participants" supported holding rates steady.

Given inflation running about double the Fed's target, "members concurred that the post-meeting statement would convey the (Federal Open Market) Committee's commitment to achieving its dual-mandate goals and emphasise that the Committee will deliver price stability," the minutes said.

Market reaction was muted, with stocks barely budging, yields on Treasuries slightly paring earlier increases, and interest-rate futures maintaining bets the Fed will deliver a rate hike by its September meeting. The policy debate and decision formed only one aspect of the discussion at Warsh's inaugural meeting as Fed chief.

Policymakers also considered his proposal to end "forward guidance" and provide less commentary in the statement on coming rate decisions.

"A majority of participants remarked that they saw advantages in shortening the statement," the minutes said, while "most participants" supported removing language indicating the Fed's next policy move would likely be a rate cut.

The alternative approved by the Fed in June removed guidance about rates altogether, in alignment with Warsh's overall desire to avoid making promises about rate decisions. The minutes also noted that Warsh described his plan to establish five task forces to examine how monetary policy is conducted, but do not indicate any discussion of it.

The Fed left its benchmark interest rate unchanged in the 3.50%-3.75% range at the June meeting, though new projections revealed a growing sentiment around a likely rate hike this year, with nine of 18 policymakers seeing rates slightly higher by the end of 2026. The meeting was attended by Warsh's two new special advisers, Paul Winfree and Daniel Heil.

Last month, the Federal Open Market Committee held interest rates steady for a fourth straight time, keeping them at a range between 3.50% and 3.75%.

Policymakers also projected a rate hike by year-end to counter inflation, which is at three-year highs.

The Fed, which has a dual mandate of maintaining stable prices and maximum employment, said in a shorter statement than usual that inflation was elevated partially due to supply shocks that raised energy prices, triggered by Trump's war on Iran.

Warsh has since vowed to fight "too high" costs, reiterating that the central bank plans to deliver price stability in the world's biggest economy.

Most Asian stock markets suffer on fresh US-Iran tensions

AFP
Hong Kong

Most Asian stock markets suffered yesterday, with the fresh US-Iran tensions coming on top of a retreat from the tech sector that has powered markets to multiple record highs over the past two years.

Seoul's Kospi -- which has been Asia's poster child for the rally -- sank more than five percent and has lost more than 20% since hitting a record high last month.

In Tokyo, the Nikkei 225 closed down 2.1% to 66,819.05 points; Hong Kong - Hang Seng Index ended up 3.0% to 24,199.46 points and Shanghai - Composite closed down 0.5% to 3,970.88 points yesterday.

Samsung again took a hit following a rout Tuesday that came despite forecasting its operating profit had rocketed more than 1,800% in the second quarter on the back of strong AI chip demand.

The firm and rival SK hynix both sank around 6%.

There were also losses in Tokyo, Shanghai, Sydney, Singapore, Wellington, Mumbai, Bangkok and Jakarta.

However, Hong Kong rose 3% as traders chased beaten-down Chinese tech stocks, with Alibaba piling on more than 12 percent, and JD.com and Tencent each up 3.8%. Singapore, Taipei and Manila also advanced.

"After AI and tech sentiment had dominated market moves over the last couple of weeks, investors are now forced to move back to focusing on geopolitical tensions," AT Global Markets' Nick Twidale said.

"And this should dominate market sentiment, especially if we see a further escalation in the coming sessions."

The dollar held gains against its peers as the prospect of another hit to supplies from the Middle East fuelled concerns that inflation could remain elevated for longer than feared, putting pressure on the Federal Reserve to hike interest rates.

Oil prices jumped more than 3% as the Middle East crisis burst back into the spotlight with US and Iranian forces exchanging strikes after attacks on ships in the Strait of Hormuz, fuelling fresh supply fears. The sudden flare-up has stoked concerns about peace talks between the foes as they look to end their conflict and fully reopen the crucial waterway. It added to the largely dour mood in Asia, where Seoul suffered another tech rout amid questions over stretched valuations and when companies will start realising profits from their eye-watering AI investments.

Bull statues positioned near screens showing the Hang Seng stock index and stock prices outside the Exchange Square, in Hong Kong. The Hang Seng Index closed up 3.0% to 24,199.46 points yesterday.

US and Iranian forces reported hitting dozens of targets, putting more strain on an interim deal to end the Middle East war, while Washington revoked a temporary sanctions waiver for Iranian oil.

Washington revoked the waiver and launched the new attacks on military sites in what the US military called retaliation for Iran's strikes on three commercial ships in the Strait of Hormuz. Iranian state media reported a wave of explosions around the strait, while the country's Revolutionary Guards said they had hit dozens of US military facilities in Bahrain and Kuwait.

The three vessels were struck close to Oman, which had proposed a temporary transit corridor hugging its coastline -- an initiative opposed by Tehran as it seeks to impose fees on ships using the waterway.

Iran's foreign ministry accused the United States of repeatedly violating a memorandum of understanding agreed between the two sides.

Both main crude contracts jumped more than two percent on Wednesday -- having climbed a similar amount on Tuesday -- to two-week highs.

Andreas Krieg, a security expert at King's College London, said Iran was determined to stick to its demand of charging fees to use the strait, which Washington has said was not acceptable. "We are now in a sensitive period where potential alternatives to an Iranian toll or fee system are being explored," he told AFP.

"Iran is sending a clear signal that no alternative will be accepted."

Europe's aviation is right to be nervous about Castlelake, easyJet

By Alex Macheras

EasyJet's board has finally said yes, in principle at least. After rejecting four earlier approaches from Castlelake, the Minneapolis-based investment firm's fifth offer of £6.90 a share, valuing the airline at up to £5.5bn, was enough to get the board "minded to recommend" a deal, with a formal bid due by 3 August.
Shares jumped around 10% on the news. But look closer at where that share price actually sits and a more cautious story emerges, one that tells you the market, and much of the industry around it, is not yet convinced this deal gets done cleanly, or that easyJet survives it in recognisable form.
Start with the structural problem that has shaped this bid from the outset. EU and UK rules require that airlines holding European operating licences be majority owned and effectively controlled by EU or UK nationals. Castlelake is American, which means it cannot legally hold more than 49.9% of the entity that actually operates easyJet's licences.
To get around this, the firm has lined up two Europeans, former Malaysia Airlines chief executive Peter Bellew and industry executive Mark Breen, to hold the remainder. It is a workable structure on paper, and one that other private equity approaches to European carriers have used before. But it depends on regulators accepting that ownership on paper reflects control in practice, and that is precisely the kind of test that can drag a deal into months of scrutiny rather than a swift completion.
That regulatory uncertainty is one reason the share price still trades below the offer. Normally, once a board recommends a deal, the target's stock closes in on the offer price as the market prices in near-certainty of completion.
EasyJet has not done that. Investors are pricing in real risk, whether that is the ownership structure unwinding under regulatory pressure, a rival bid emerging, or Castlelake walking away before its August 3 deadline.
Five bids in as many months, each one an improvement on the last, is not the pattern of a smooth, uncontested takeover. It is the pattern of a board playing hardball because it senses leverage, and a market that remains sceptical those improved terms fully compensate for what could be lost.
What could be lost is the heart of the industry's concern, and it centres on easyJet's slots.
The airline holds valuable landing rights at London Gatwick, Paris Charles de Gaulle and Orly, and Geneva, among others, accumulated over three decades of operating in some of Europe's most constrained airports.
Slot pairs at these airports are scarce, effectively non-replicable assets, and analysts have pointed out that their break-up value alone may exceed what Castlelake is paying for the whole airline. That arithmetic is exactly what makes seasoned industry figures nervous.
A private equity owner focused on maximising returns for its investors has every incentive to ask whether easyJet is worth more as a going concern or as a collection of assets sold off piece by piece. Castlelake has said publicly it intends to keep easyJet operating and has expressed support for its fleet modernisation programme, but stated intentions at the point of a bid and the actual incentives of a financial owner three or four years into a holding period are not always the same thing.
The industry has seen this film before, with carriers acquired, loaded with debt, stripped of their most valuable assets and left as shells of what they were.
Then there is the workforce dimension, which has moved this from a financial story to a genuinely emotive one.
EasyJet's roughly 5,000 pilots, represented by the British Airline Pilots Association, have expressed concern about job security and leadership under new ownership, and much of that concern centres specifically on Bellew, who was easyJet's chief operating officer until 2022, when he departed following a dispute over handling union pay demands.
Having someone with that history back inside the ownership structure, this time with equity rather than an operating role, has done little to reassure the workforce that this is a benign transition.
Underneath all of this sits a broader anxiety that goes beyond slots and jobs. EasyJet has spent thirty years positioned as something close to a public good within European aviation, the carrier that broke open low-cost travel across the continent, kept Ryanair honest on price and network, and gave millions of Europeans routine access to short-haul travel that would otherwise have been unaffordable.
Founder Stelios Haji-Ioannou, still holding around 15% of the airline despite leaving the board in 2010, has spent years publicly clashing with management over growth and strategy, but even he has generally argued from within a framework of keeping easyJet expansive and accessible. A private equity owner answers to a different set of incentives entirely, ones built around exit timelines and internal rates of return rather than route networks that serve the travelling public.
That is not necessarily a criticism of Castlelake specifically.
It is simply what private equity ownership of an airline structurally means, and it is why the phrase "force for good" keeps surfacing in the commentary around this deal. Losing that isn't measured on a balance sheet.
None of this means the deal collapses, or that Castlelake's intentions are cynical. Private equity has bought and successfully run airlines before without breaking them apart.
But the combination of a below-offer share price, an ownership structure still to be tested by regulators, a workforce already unsettled, and slot assets whose break-up value may exceed the purchase price gives Europe's aviation industry good reason to watch this one closely rather than simply welcome the premium.

■ *The author is an aviation analyst.*
X handle: @AlexInAir.

Air Canada announces Van der Werff as CEO

AFP
Montreal

Air Canada named a French-speaking European as its new CEO on Wednesday, replacing Michael Rousseau, who announced his retirement following controversy over his English-only condolence message after a fatal airport disaster.

Canada's national carrier said Anko Van der Werff, currently the chief executive at Scandinavian Airlines (SAS), would take charge by the end of January 2027.

Van der Werff was chosen following "a comprehensive global search," Air Canada said. "The search considered a number of performance criteria, including the ability to communicate in French," it added.

The incoming boss, who will also serve as president and sit on Air Canada's board, said he was "mindful of the importance of serving Canadians in both official languages."

"As a European, I understand the importance of language in identity," he added in a separate message addressed to company employees.

He said he had "the good fortune, like many Dutch people of his generation, to learn French at school."

Rousseau had sparked controversy by issuing an English-only video message to express condolences after a deadly collision in March between an Air Canada jet and a fire truck at New York's LaGuardia Airport.

Canada has two official languages -- English and French -- and one of the pilots killed in the accident was from French-speaking Quebec province.

Rousseau had issued an apology over his English-only message, regretting that he couldn't express himself in French "despite many lessons over several years."

Prime Minister Mark Carney, whose occasionally halting French was discussed when he entered politics last year, also said at the time that he was "disappointed" by Rousseau's unilingual message.

The fracas highlighted ongoing tensions surrounding the role of French in a majority English-speaking country.

Less than a quarter (22%) of Canada's population lists French as their first language, according to 2021 census data, with 76% naming English. In Quebec, 84% of the population say their first language is French.

After Rousseau's video was posted, Quebec's provincial legislature passed a motion calling for his resignation.

Air Canada is the country's largest airline and is headquartered in Montreal, Quebec.

Anko Van der Werff, new CEO of Air Canada.

India's vast reserves of surplus crop residue could power global aviation sector: Report

By Peter Alagos
Business Reporter

India's vast reserves of surplus crop residue, combined with record-low green hydrogen prices, could fuel not only its own aviation sector but also airlines worldwide, a new study has said.
The report, prepared by the India Energy and Climate Centre, the UC Berkeley Goldman School of Public Policy, and the Energy Innovation Policy and Technology, stated that power-and-biomass-to-liquids (PBtL) sustainable aviation fuel (SAF) offers India the least-cost pathway to decarbonise air travel while reducing dependence on imported oil and cutting air pollution from crop fires.
The report noted that India imports nearly "90%" of its crude oil, leaving the country exposed to price volatility and geopolitical risks.
Aviation turbine fuel demand, which accounted for less than "4%" of oil consumption in 2024, is expected to rise six-fold by 2050, increasing vulnerability to supply shocks, it pointed out.
Seasonal burning of crop residue remains a major contributor to India's air pollution, with New Delhi recording the worst air quality among global capitals. Farmers burn an estimated "130mn tonnes" annually, causing between "44,000" and "98,000" premature deaths each year. The pollution also reduces work attendance and performance, lowers economic activity, raises healthcare costs, worsens soil quality, and deters tourism, the study stated.
India's carbon dioxide emissions have tripled since 2000. While short-term climate goals are on track, analysts warn that much more ambitious actions will be needed to achieve net-zero emissions by 2070, according to the report.
The study said India's plummeting solar electricity costs, "among the lowest globally," have enabled green hydrogen prices as low as "$3.1–4.5 per kg." Combined with surplus residue of up to "235mn tonnes," this creates a unique opportunity to produce SAF at costs up to "40%" below global benchmarks.
PBtL SAF could reach price parity with fossil jet fuel in the 2030s, depending on crude oil prices and supportive policies. In the meantime, India could serve rising international demand for SAF blending mandates and corporate procurement goals, the study stated.
Beyond economics, the report said PBtL SAF could deliver wide-ranging co-benefits. By creating demand for residue that farmers currently burn, it could reduce air pollution, avoid premature deaths, increase productivity, boost tourism, and strengthen rural economies through new revenue streams and jobs in collection and densification.
The report identified Delhi, Pune, and Mumbai as prime sites for first-of-a-kind projects, given their proximity to large airports and abundant residue supplies.
Policymakers were urged to mobilise India's public sector oil companies, including Indian Oil Corporation, Bharat Petroleum, and Hindustan Petroleum, to anchor early PBtL deployment. Their control of refining and distribution infrastructure, coupled with government-backed financing, could help absorb the risks of novel SAF facilities.
The study cautioned against unintended consequences, stressing that only surplus residue should be used to avoid displacing soil nutrients or encouraging land use changes. It also warned against blanket support for SAF pathways that rely on food crops or fossil-based hydrogen. Among its recommendations, the report called for concessional finance and streamlined approvals for demonstration projects, trade policy alignment with EU and UK mandates, and incentives tied to avoided air pollution deaths.
It also urged India to expand SAF blending targets beyond 5% in 2030 to provide longer-term business certainty.
The authors concluded that India's unique combination of low-cost green hydrogen and surplus residue could deliver domestically-produced jet fuel that is low-cost, low-emissions, and resource-efficient. With the right policy support, India could advance self-reliance, improve air quality, strengthen rural economies, and position itself as a global leader in aviation decarbonisation.

EU vows action to fix airport delays caused by new border system

AFP
Brussels

Following heavy criticism from airlines and airports regarding travel disruptions, European Union migration chief Magnus Brunner confirmed in a letter that the bloc is intensifying efforts to fix issues with its newly launched border check system.

The European aviation industry warned in a joint letter that the new Entry/Exit System (EES) was causing wait times of up to five hours, calling on the EU to act now to prevent summer travel chaos. The European Commission "will now make additional efforts to help those member states that still encounter issues", Brunner said in the letter.

The new system replaces manual passport stamping and records travellers' personal and biometric data to track overstays and refusals of entry.

The EES is used by EU nations -- except for Ireland and Cyprus -- and other nations that are part of the Schengen free movement area, including Switzerland, Norway and Iceland.

Brunner was replying to a joint letter signed by the ACI Europe airports group, the A4E association of European airlines, and the International Air Transport Association bringing together over 360 airlines worldwide.

They demanded an "immediate intervention before the situation deteriorates further during the peak summer travel season" and called for countries to be able to fully suspend the new checks during periods of heavy traffic.

Brunner said the EES rules already anticipated early challenges and allowed flexibility during the 2026 summer holiday season until early September, like suspending the registration of biometrics.

He said therefore other factors unrelated to the EES could be the cause of delays, like insufficient staff or lack of adequate infrastructure.

Since October 2025, 110mn people have entered or exited the EU with this new system -- with over 44,000 people prevented entry, Brunner wrote -- the vast majority because of a lack of the right travel document or visa.

An EU official said at a large majority of the 1,500 border crossing points, the system worked without any issues.

Brunner defended the new checks that are "making Europe safer, every day" and stressed they had been "rolled out carefully and gradually".

Ryanair loses appeals against Italy's Covid aid to airlines in EU Court

Reuters
Brussels

A Ryanair plane on a tarmac of Makedonia airport in Thessaloniki, Greece. The European Union's General Court yesterday dismissed appeals lodged by Irish low-cost airline Ryanair against an Italian state aid scheme approved to support airlines during the Covid pandemic.

The European Union's General Court on Wednesday dismissed appeals lodged by Irish low-cost airline Ryanair against an Italian state aid scheme approved to support airlines during the Covid pandemic.
The court ruled that the aid scheme consisting of subsidies paid by Italy to airlines affected by the Covid-19 crisis "was compliant with EU law", insofar as it did not breach the principle of non-discrimination, nor the principles of freedom to provide services and the freedom of establishment.
The budget airline had brought the case as it sought to annul a 2020 aid scheme set up by Italy to support airlines licensed in the country with a €130mn ($148.54mn) fund, which was later increased by €100mn.
The scheme was approved by the European Commission, the European authority vetting member states' aid programmes.
Ryanair alleged the aid was discriminatory and that the approval by the European Commission breached procedural rules.
The General Court initially struck down the Commission decision in 2023, although the top European tribunal, the Court of Justice, referred the case back to the General Court in 2025.
Back in April of this year, Ryanair won in another similar case in the EU's Court of Justice against German state aid to its main airline Lufthansa during Covid.