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Meta launches new AI model as Zuckerberg champions open-weight models push

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BUSINESS

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Korea to launch $3.5bn chip fund, speed development of semiconductor hubs

Qatar's NDS3 reforms, infrastructure push drive top business ranking gains

By Peter Alagos
Business Reporter

Qatar's deliberate regulatory overhaul and infrastructure push under the Third National Development Strategy (NDS3) have accelerated its standing as a competitive regional business hub, according to data from the Invest Qatar Annual Report 2025.

The report outlines significant gains across several international benchmarks. Qatar secured first place globally in General Infrastructure under the 2025 Global Innovation Index, while placing fourth in ICT Development according to the 2025 ITU ICT Development Index.

The country also made progress in human capital and expatriate integration, ranking 6th in Expat Essentials under the 2025 InterNations Expat Insider survey and 7th for Talent Attraction in the INSEAD Global Talent Competitiveness Index 2025. Quality of life indicators placed Qatar 9th globally in the Numbeo Quality of Life Index 2025.

The Minister of Commerce and Industry HE Sheikh Faisal bin Thani bin Faisal al-Thani, who is also Invest Qatar chairman, highlighted in the annual report the structural measures implemented to improve the investment ecosystem.

"Throughout the year, Qatar advanced several strategic initiatives and projects that further enhanced the business and investment ecosystem, reinforcing the country's competitiveness and appeal to investors worldwide," Sheikh Faisal stated.

He also said, "Among the most notable developments was the launch of Invest Qatar's $1bn incentive programme at the Qatar Economic Forum 2025. Structured around four tailored packages, the programme is designed to attract high-Impact investments aligned with Qatar's economic diversification priorities."

"In 2025, Qatar ranked among the top 10 countries globally for the first time in the International Institute for Management Development's Global Competitiveness Report. The country also strengthened its global investment standing by ranking 12th worldwide in fDi Intelligence's Greenfield FDI Performance Index 2025, climbing an impressive 21 places," Sheikh Faisal added.

Qatar secured first place globally in General Infrastructure under the 2025 Global Innovation Index, while placing fourth in ICT Development according to the 2025 ITU ICT Development Index. **PICTURE:** Thajudheen

A series of administrative streamlined measures backed these institutional moves. Company registration timelines were cut to two days, while commercial setups were enabled using only a passport for eligible investors, stated the report.

Labour and setup costs were revised as well, the report stated, citing that the Ministry of Labour standardised recruitment fees, the Qatar Financial Centre (QFC) reduced application fees by 90%, and the General Tax Authority (GTA) introduced full penalty exemptions.

The report highlighted that new visa categories were launched for investors, entrepreneurs, property owners, and skilled professionals in technology, arts, and sports, alongside the launch of the 'Qooqul' platform to boost graduate employment.

Invest Qatar CEO Sheikh Ali bin Alwaleed al-Thani pointed to the agency's expanding international footprint as a key factor in connecting foreign businesses to domestic opportunities.

"Central to this progress was the significant expansion of Invest Qatar's global footprint. During the year, we established dedicated representatives in London, New York, Paris, Mumbai and Istanbul, providing investors across key markets with direct access to on-the-ground insights, tailored support and real-time engagement with Qatar's investment ecosystem," Sheikh Ali said in the report.

Sheikh Ali reported that the agency hosted over 1,450 investor and stakeholder meetings and organised more than 150 fact-finding trips over the course of the year.

"Invest Qatar hosted the inaugural Qatar Pavilion at the World Economic Forum Annual Meeting, showcasing Qatar's dynamic business landscape to a global audience. We also convened the FDI Leaders Network Autumn Meeting in Qatar, bringing together CEOs and heads of international Investment Promotion Agencies to exchange insights and best practices," Sheikh Ali also noted.

Digital tools were updated in parallel in 2025, according to Sheikh Ali, who added that the Invest Qatar Gateway was revamped with a secure document vault and direct integrations for banking and telecommunications services to simplify setup procedures.

QIIB wins 2 *Global Business Magazine* awards for innovation, mobile banking

QIIB continues to strengthen its record of institutional excellence and leadership in Islamic banking, adding two prestigious '*Global Business Magazine* Awards for 2026' to its growing list of regional and international accolades.

The latest awards are 'Mobile Banking Experience Qatar 2026' and 'Excellence in Product Innovation - Islamic Finance Qatar 2026'.

The awards reflect QIIB's progress in its digital transformation and its continued ability to develop innovative banking solutions that meet the evolving needs of its growing customer base while keeping pace with the latest global banking standards.

In selecting QIIB for the two awards, the *Global Business Magazine* judging panel praised the Bank's strong operational performance. The panel highlighted QIIB's mobile banking app for delivering a seamless, secure and comprehensive user experience, giving customers greater flexibility in managing their banking transactions.

It also recognised QIIB's product innovation initiatives, which successfully combine Shariah principles with modern financing solutions that deliver added value.

QIIB head of Banking Products Talal al-Jaidah said, "We are delighted to receive this prestigious international recognition from *Global Business Magazine*. It reflects our ambitious strategy and the ongoing efforts of our team to further develop our digital channels and create banking products that closely address our customers' needs.

"Winning the Mobile Banking Experience award confirms the success of our efforts to make banking services easily accessible to our customers through a secure digital environment. Our goal has gone beyond simply digitising services to creating a complete banking experience that gives customers greater convenience and speed in carrying out transactions and managing their accounts and financing, without having to visit a branch."

Talal al-Jaidah, QIIB head of Banking Products.

Commenting on the 'Excellence in Product Innovation' award, al-Jaidah said: "We place great importance on understanding the needs of the local market and anticipating future trends. At QIIB, innovation is firmly grounded in Shariah principles, combined with the operational flexibility needed to respond to the rapidly evolving needs of customers across all segments."

He added: "We have developed a range of products offering flexible and innovative solutions that have strengthened our competitiveness and enabled us to meet the needs of Qatar's growing banking market. At the same time, we remain fully committed to the highest standards of governance and risk management to ensure the consistent quality and sustainability of our services."

The latest recognition is in line with QIIB's strategic direction, which focuses on driving innovation, continuously investing in technology infrastructure and adopting the latest advanced fintech solutions.

MPHC reports H1 net profit of QR183mn

Mesaieed Petrochemical Holding Company (MPHC) reported a QR183mn net profit in the first six months of 2026.

MPHC revenue reached QR605mn in H1 2026, while its liquidity position remains robust with closing cash and bank balances amounting to QR3.2bn during the period.

EBITDA in the first six months of the year stood at QR41mn, while earnings per share stood at QR0.015.

MPHC continued to undertake production adjustments due to the ongoing regional conflict. These circumstances affected MPHC's operating performance, resulting in reduced production volumes across both the petrochemical and chlor-alkali segments.

Profitability in H1 2026 was impacted by lower sales volumes compared to H1 2025, primarily reflecting logistical disruption.

While overall average selling prices were lower year-on-year, mainly due to weaker pricing in the petrochemical segment, the price impact on earnings was positive.

This was driven by the introduction of the higher value PVC product within the chlor-alkali segment, together with improved chlor-alkali pricing, which partially offset the adverse price effect from the petrochemicals segment.

While operating costs decreased in line with lower production and sales volumes, MPHC continued to incur its fixed operating costs to maintain safe and reliable operations. As a result, margins came under pressure, particularly in the petrochemical segment.

MPHC's net profit declined quarter-on-quarter, resulting in a net loss for Q2 2026.

The performance was primarily impacted by lower sales volumes across both business segments, partially offset by higher average realised selling prices.

The softer sales volumes compared with the preceding quarter reflected the impact of the regional conflict. While operating costs declined, fixed operating costs remained largely unchanged, resulting in lower profit margins across both segments, particularly within the Petrochemical segment.

MPHC continues to maintain a strong liquidity position, with a significant and robust cash balance. The total cash balance declined compared to December 31, 2025, primarily due to the distribution of final dividends for the financial year 2025, and MPHC's financial contribution toward the PVC project.

The petrochemicals segment recorded a net loss for the current period, representing a decline compared with the same period last year. The decrease was primarily driven by lower production output and sales volumes, which negatively impacted revenues.

Market conditions remained characterized by ongoing pressure on product pricing resulting from global supply demand mismatches and weaker demand across major downstream sectors.

On a quarter-on-quarter basis, profitability of the petrochemicals segment decreased compared with the preceding quarter, driven mainly by lower sales volumes, which negatively impacted revenue generation, despite a partial offset from stronger average realised selling prices. The increase in prices reflected tighter market supply conditions during the period, whereas the reduction in volumes was primarily linked to lower production output.

The chlor-alkali segment recorded a net loss for H1 2026, compared to a net profit in the corresponding period in 2025. The performance was primarily impacted by lower production and sales volumes resulting from the regional conflict and related logistics constraints. While average realised selling prices strengthened, providing partial support to earnings, the positive pricing impact could not fully mitigate the effect of lower production and sales volumes.

The segment reported a net loss during Q2 2026, continuing the trend observed in the previous quarter.

BUSINESS

Lebanon indicts ex-central bank governor Salameh over new alleged financial crimes

Reuters
Beirut

A Lebanese judge on Monday indicted former central bank governor Riad Salameh and a former commercial banker, accusing them of financial crimes including embezzlement and illicit enrichment, a senior Lebanese judicial source told Reuters.

Salameh, who headed the Lebanese Central Bank for three decades, has already been indicted and arrested in Lebanon over other alleged financial crimes committed during his tenure. He has denied any wrongdoing.

On Monday, a Lebanese judge accused him and Samir Hanna, the former head of Lebanon's Bank Audi, of embezzling tens of millions in funds from the Lebanese central bank, the judicial source said. The source said the file includes accusations that Hanna bribed Salameh while he was central bank governor.


Riad Salameh.

It is the first time a commercial banker has been indicted in a financial crimes case related to Salameh, showing that Lebanese investigations into the former governor are expanding to the private sector, the source said.

Salameh did not immediately respond to a Reuters request for comment. Hanna could not immediately be reached for comment.

The former governor is currently in custody but is under medical supervision at a government hospital outside Beirut, after having missed a hearing over the case. Hanna, 88, paid a $1mn bail and is not in custody as financial investigations continue. In January, Lebanon's current central bank governor Karim Souaid told reporters that the central bank had filed a criminal complaint against an unnamed former official of the central bank, a former banker and a lawyer over alleged illicit enrichment through misuse of public funds. He said the operations were carried out through four offshore shell companies in the Cayman Islands that he did not name.

Accountability Now, a Swiss foundation that has worked to investigate Salameh, said in a post on social media platform X on Monday that the indictment covered the suspected embezzlement of $154mn in 2010 and $102mn in 2012.

Korea set to launch $3.5bn chip fund; plans semiconductor hubs

Reuters
Seoul

Republic of Korea will launch a 5tn won ($3.52 bn) semiconductor fund targeting promising chip materials, parts, equipment and fabless companies, a presidential official said, as Seoul seeks to accelerate plans for new chip manufacturing hubs across the country.

The government will also provide a further 5tn won in trade finance for suppliers, Presidential Chief of Staff Kang Hoon-sik told a press briefing after a meeting chaired by President Lee Jae Myung on Monday. The measures are part of Lee's semiconductor megaproject initiative unveiled in June, under which Samsung Electronics and SK Hynix, together with suppliers and local governments, are expected to invest more than $576bn in new chip manufacturing projects, including major fabrication facilities in the country's southwest region.

"The government will create a new semiconductor fund worth about 5tn won focused on promising materials, parts and equipment firms and fabless companies," Kang said. The government would also launch a 10-year, 1tn won programme to support cooperation between large companies and smaller suppliers across semiconductor development, testing and production, Kang said.

The government will also seek passage of a Mega Special Zone Act at parliament within the year to speed up permits, environmental reviews and infrastructure construction, he said. In his opening remarks before Monday's meeting, which was also attended by senior executives from Samsung Electronics and SK, Lee urged the Defence Ministry to relocate functions of a military air base in Gwangju by mid-2028 to accelerate development of a semiconductor manufacturing complex planned for the site.

The government has designated the 8.3mn-square-metre area (9.9mn square yards) as a candidate for national industrial complex and plans to complete relocation and temporary dispersal of military facilities by the second half of 2028. Kang said the government would ensure power and water supplies are available on schedule for new semiconductor projects.

For the planned chip cluster in the southwestern Gwangju-South Jeolla region, authorities plan to secure 650,000 metric tonnes of water daily by 2030 using recycled wastewater and supplies from nearby dams, he said.

For the Yongin semiconductor cluster, Korea's flagship chip manufacturing project south of Seoul, Kang said the government plans to supply 14.7 gigawatts of electricity by 2041 using a combination of cogeneration facilities, LNG generation and power from other regions.

Kang said megaprojects worth over 350tn won in other regions of the country are scheduled to begin construction or facility expansions this year, while a further 57tn won of research and development projects are also due to start.

The Lee administration has made expanding semiconductor production capacity a central pillar of its industrial strategy, arguing that existing production bases around Yongin and Pyeongtaek will not be sufficient to meet demand driven by artificial intelligence.

The SK Hynix logo and a computer motherboard appear in the illustration. The measures are part of President Lee Jae Myung's semiconductor megaproject initiative unveiled in June, under which Samsung Electronics and SK Hynix, together with suppliers and local governments, are expected to invest more than $576bn in new chip manufacturing projects, including major fabrication facilities in the country's southwest region.

Adnoc Gas Q2 profit falls 52% amid Hormuz closure

Reuters
Dubai

Adnoc Gas reported a 52% slide in second-quarter profit on Monday, with sales hit by the closure of the Strait of Hormuz after the US and Israel launched attacks on Iran. The Abu Dhabi state-owned company's second-quarter profit fell to $665mn from $1.39bn a year earlier but beat its guidance range of $400mn to $600mn.

The listed company relied on its domestic market to sustain profits, with $1bn of its $1.7bn of first-half net profit coming from local clients, CFO Peter van Driel said. "The majority of the profit comes from domestic markets; that is really the backbone of our operational results," he said.

The Middle East conflict that has hurt oil-rich Gulf countries as Iran has attacked their energy infrastructure and oil tankers while also blocking shipping in the Strait of Hormuz, which previously carried a fifth of the world's oil and liquefied natural gas. Adnoc, the parent company, said on Friday that it was feeling significant impact from what it described as unprovoked attacks on its people and assets. One of its tankers was attacked in Hormuz as recently as Saturday.

Adnoc Gas has been looking at different options while monitoring the situation in the Strait of Hormuz, CEO Fatema al-Nuaimi told a press briefing.

"We cannot be in this environment and not look at alternatives," she said, adding that she was not in a position to say more at the moment.

Adnoc Gas estimated net income for the third quarter in a range of $600mn to $800mn and from $3.5bn to $4bn for the full year. That compared with $1.4bn in the same period last year and well below its record full-year net income of $5.2bn in 2025.

Nevertheless, Adnoc Gas said it plans to expand oil and gas sales, expecting to invest about $28bn between 2026 and 2030 to deliver growth.

"Adnoc Gas delivered resilient second-quarter net income above our guided range despite a challenging operating environment," the company said.

'Aramco delays Jazan refinery restart to August 30'

Reuters
London

Saudi Aramco has postponed the restart of its 400,000-barrel-per-day Jazan refinery to August 30 after two Houthi attacks since late July, according to an alert from industry monitor IIR seen by Reuters.

The extended outage could further tighten global fuel markets already disrupted by refinery outages in the Middle East following the Iran war and by Ukrainian attacks on Russian refineries, potentially boosting refining margins.

Yemen's Houthis said on Sunday they had attacked the refinery, which has been shut since July 27 after an earlier Houthi strike, according to a previous IIR alert seen by Reuters. The previously planned restart date was August 15.

Saudi Aramco did not immediately respond to a request for comment.

The Houthis declared a naval blockade of Saudi Arabia in the Red Sea last month, citing what they described as a Saudi siege. Riyadh denies the allegation.

Saudi Arabia's energy ministry said on Sunday that Aramco's fire-fighting teams had extinguished a blaze that broke out early that day at a facility belonging to the refinery. It provided no further information about the plant's operations. According to IIR, the July 27 attack damaged the refinery's Integrated Gasification Combined Cycle (IGCC) complex and tank farm area. It also said the refinery's 80,000-bpd reformer had been unexpectedly offline since May 27 because of operational issues.

Reformers convert naphtha into high-octane gasoline blendstocks and produce hydrogen for other refining units.

Saudi fuel exports, including liquefied petroleum gas, averaged about 1.32mn bpd in July, according to Kpler data, up from 1.16mn bpd in June but still roughly 30% below levels seen before the Iran war began in late February.

What is Unitree and why are China's humanoid robot makers racing to list?

Reuters
Beijing

Chinese robot maker Unitree has priced its Shanghai initial public offering at 150.8 yuan per share, with subscriptions to start on Monday, as it seeks to raise 6.1bn yuan ($904mn) in a deal that would see it become the first mainland-listed humanoid robot manufacturer.

Below are some facts about Unitree, and why it is leading several Chinese robotics companies towards public listings.

WHAT IS UNITREE?

Founded in 2016 by engineer Wang Xingxing, Hangzhou-based Unitree first became known for relatively inexpensive quadruped robots — or robot dogs.

Its G1, H1 and R1 humanoids have gone on to attract global attention through viral demonstrations showing them running, dancing and performing martial arts. The company competes with Tesla, Boston Dynamics and a growing field of Chinese startups seeking to build machines that can eventually work in factories and homes.

Unitree's revenue rose more than fourfold to nearly 1.7bn yuan ($252mn) in 2025. Unlike many humanoid startups, it is profitable, reporting adjusted net profit of about 600mn yuan. Its overseas revenue accounted for more than 40% of sales during each of the reporting periods disclosed in its prospectus.

WHO ARE UNITREE'S MAJOR BACKERS?

Chinese food delivery giant Meituan is Unitree's largest outside investor, holding 9.65% through several affiliates. Two of China's best-known startup investors, HongShan Capital Group and Matrix Partners China, hold 7.11% and 5.45%, respectively. Tencent, Alibaba, Ant Group, China Mobile and Geely also invested through affiliated vehicles in a June 2025 funding round, linking Unitree to some of China's largest internet, telecoms and auto groups.

The prospectus identifies just 0.67% of Unitree's shares as directly state-owned, held by Shenzhen Capital Group and its wholly owned subsidiary Shenzhen Innovation Capital. But a wider group of state-backed funds holds meaningful stakes, led by the Beijing Robotics Industry Development Fund at 3.83% and the China Internet Investment Fund at 2.11%.

WHY IS UNITREE IMPORTANT?

Unitree has shown that China can manufacture sophisticated robots at prices far below many overseas competitors, drawing on the country's extensive supply chains for motors, sensors, batteries and other components.

It has also become a symbol of Beijing's drive to dominate embodied intelligence, an emerging field that combines AI models with machines capable of navigating and interacting with the physical world.

But its commercial success does not yet prove humanoids can replace workers. Current demand mostly stems from universities and government-backed projects using robots for education, research and demonstrations. Humanoids still struggle with reliability, dexterity and performing varied tasks for long periods without human intervention.

WHY ARE ROBOT MAKERS SEEKING LISTINGS?

Developing humanoids requires heavy spending on engineers, robot-training data, AI models and manufacturing capacity — years before demand from factories or households is certain.

Therefore, public markets offer companies the capital to keep developing their technology while government support and investor interest remain strong.

Leju Robotics, which makes the Kuavo humanoid, filed an application in May to list on Shenzhen's ChiNext market. Shanghai-based AgiBot, another leading humanoid producer, began preparations for a Hong Kong IPO in July.

Unemployment rate remains Fed's labour market lodestar

By Jamie McGeever
Orlando, Florida

For all the warnings in the latest US employment report that the Federal Reserve should think twice about raising interest rates, the labour market's most important health measure is signaling that it should do just that. Official figures on Friday showed a surprise fall in the number of jobs in the economy and slowing wage growth in July.

But the unemployment rate fell to 4.1%, the lowest in over a year, and continued its downward drift from November's recent peak of 4.5%. An unemployment rate of 4.1% is, by any measure, reflective of an economy at, or close to, full employment.

Moreover, it is now slipping below what many observers, including Federal Reserve officials, would consider the long-term "natural" rate of unemployment that neither fuels nor cools inflation. This theoretical number is sometimes referred to as the non-accelerating inflation rate of unemployment (NAIRU). The median estimate of the long-run unemployment rate in the Fed's quarterly Summary of Economic Projections has been 4.2% for the past two years.

The unemployment rate is now back below that long-run projection for the first time in over a year.

Torsten Slok, chief economist at Apollo Global Management, zooms out a little further and notes that unemployment has been at or below 4.5% - the upper end of the Fed's long-run NAIRU estimate range - for 58 consecutive months. That's the longest stretch on record, showing that the labor market has been in "excess-demand territory" for an unusually long time, Slok says. Surprisingly low unemployment certainly helps explain why inflation has been above target for so long.

Lower NAIRU estimates mean unemployment would need to be even lower to exert upward pressure on inflation. A Kansas City Fed model estimate of the long-term natural unemployment rate - or U-star - was 4.3% in July, the lowest in nearly two years.

These are theoretical measures. Among the plethora of real-world US labour market indicators, from "JOLTS" job openings to jobless claims, and from nonfarm payrolls to wage growth, the unemployment rate is the first among equals. Or as Slok puts it, "the best guidepost."

This view is generally shared across the Fed's interest rate-setting Federal Open Market Committee. Richmond Fed President Thomas Barkin said so after the July figures were released. Governor Christopher Waller said something similar last month, and Cleveland Fed President Beth Hammack said the same in June.

Former Fed Chair Jerome Powell repeatedly nodded to the unemployment rate's weight over the years. You can see why. It is well-known, easy to understand and updated regularly.

Despite methodological and calculation differences, it is also generally comparable with other countries.

This makes it a pretty decent measure of the US labour market's relative strength globally.

As the unemployment rate is considered a good proxy for broad slack - or otherwise - in the economy, it is often a key input into economic models like the "Taylor Rule," which estimates the level of interest rates that gives the Fed the best chance of delivering on its dual inflation and employment goals.

Of course, it's dangerous to put too much weight on one indicator, and Powell also repeatedly said the FOMC looks at the "totality" of the data. And rightly so. It's well-documented by now that the jobs market is being heavily distorted by the shrinking supply of workers.

The labour force participation rate (LFPR), excluding pandemic-related distortions in 2020-21, is the lowest in more than 50 years. This trend has accelerated in the last couple of years, with post-pandemic societal issues thought to be discouraging people from looking for work. Many baby boomers with a nice stock-market-boosted retirement cushion may have dropped out of the labor force too.

But most analysts say President Donald Trump's aggressive anti-immigration policies are the chief reason the supply of workers has fallen off a cliff. This would suggest the unemployment rate is being kept artificially low for the "wrong" reasons. So much so, break-even job growth - the pace of hiring needed to prevent the unemployment rate from rising - is now close to or perhaps below zero, as July's data indicated.

Not one of the 68 respondents in a Reuters survey predicted a net decline in jobs in July, and hefty downward revisions to previous months mean the three-month moving average of nonfarm payrolls growth has sunk to just 20,000 from 142,000 in May.

Meanwhile, wage growth cooled in July as well, with monthly and annual average earnings growth rates of 0.1% and 3.2%, respectively, both below every forecast in a Reuters poll of dozens of respondents.

When it comes to Fed thinking on interest rates, this softness will probably not be enough to offset historically low unemployment, and five years - and counting - of inflation above the Fed's 2% target. At least not yet. If unemployment stays low, even for the "wrong" reasons, upward pressure on rates will likely persist.

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

Meta launches new AI model in major open-weight push

Reuters
New York

A 3D-printed Meta logo and word 'AI' are seen in an illustration. Meta Platforms CEO Mark Zuckerberg called for lower US barriers for open-source AI to better compete with Chinese rivals as the social media giant released a new open-weight model on Monday and said more would follow soon.

Meta Platforms CEO Mark Zuckerberg called for lower US barriers for open-source AI to better compete with Chinese rivals as the social media giant released a new open-weight model on Monday and said more would follow soon.

The new model, Muse Glimmer, is smaller than leading AI models from rivals and is instead designed to run agentic tasks on a Mac or PC with a single graphics card, aiming to tap demand for AI systems that run directly on people's devices.

"We've got even bigger models that are coming soon," Zuckerberg said in a video post accompanying his 14-page essay titled "The Future is for Everyone" in which he championed spreading AI rather than leaving it in the hands of a few.

"The notion AI is so dangerous that the only safe path is an extreme concentration of power seems inherently problematic."

Zuckerberg's statement marks the latest show of support for open-weight AI, which is gaining traction as businesses grow wary of ballooning AI bills and worry about recent cybersecurity incidents involving models from Anthropic, OpenAI and Meta.

Open-weight models are typically cheaper than leading models from the likes of OpenAI and Anthropic. They also come with publicly accessible core components for easy customisation, unlike closed models that companies keep fully under their control.

Those controls are in the spotlight after Hugging Face, the AI coding collaboration hacked by a rogue OpenAI model, was forced to use a Chinese open-weight model to defend against the attack because closed-source models have curbs on cybersecurity use.

Chinese startups are leading the race for open-weight models, with Moonshot's Kimi K3, Alibaba's Qwen3.8-Max and DeepSeek's V4-Flash rivaling the performance of top US systems. By contrast, the leading models from US developers OpenAI, Anthropic and Alphabet's Google are closed-weight.

Shares of Meta, which have fallen about 10% so far this year, were up nearly 3% in premarket trading on Monday.

Meta also plans to release the weights of Muse Spark 1.2, its most advanced model, built by a costly superintelligence team it formed last year to claw its way back into the AI race.

The company had long supported open models and was among the only US tech firms to release such models before poor reception for its Llama 4 last year forced a change in strategy.

In Monday's wide-ranging AI essay, Zuckerberg also unveiled a new $1bn fund that aims to ease fears about the impact of its data-center build-out by offering support to communities.

Growing local opposition to data centers has become a key election issue in the US and one of the biggest hurdles for Big Tech's push to build the infrastructure needed to power AI.

"One significant disadvantage that the US has compared to countries like China is that it is more difficult to build infrastructure here," Zuckerberg, whose company is set to spend as much as $145bn this year on AI infrastructure, said.

Zuckerberg also said the US needed to rethink policies if domestic firms were to lead in open-weight models, including on data use and distillation - a method that uses the outputs of a powerful AI system to train a smaller model that can handle some of the same tasks with far less computing power.

He said that Meta would implement a governance structure to give its independent directors the power to approve the safety criteria for releasing models.

"Foreign labs currently hold several advantages here since American labs have to comply with many additional restrictions on training data," Zuckerberg said, referring to open-source models.

Europe wary as gas stocks languish at lows while winter looms

AFP
Paris

Four years after Russia's invasion of Ukraine set off an energy crisis, European countries face new questions about natural gas security as the war in the Middle East drags on.

Surging prices due to Iran's closure of the Straits of Hormuz are keeping liquefied natural gas (LNG) stocks unusually low, with winter just months away.

That raises the spectre of both supply difficulties and prices remaining well above pre-crisis levels, just as colder Continental weather drives up demand.

Besides its use in heating and producing electricity, gas also powers many factories across Europe. Summer is traditionally when energy firms take advantage of lower prices to fill LNG storage tanks, preparing for higher winter demand.

In a typical year, storage sites would be filled to "around 75 to 80%", said Anne-Sophie Corbeau, a researcher at the Columbia University's Center on Global Energy Policy.

Currently the level is just 58 percent -- the lowest since 2021 -- according to Gas Infrastructure Europe, an industry association cited by the resources consulting firm Kpler.

"The European Union ended last winter with underground gas storage at only 28 percent, significantly lower than in previous years," said Ronald Pinto, an analyst at Kpler First.

European imports were curtailed by the US and Israeli strikes against Iran, which led Tehran to effectively close the Strait of Hormuz to Gulf tanker traffic.

European buyers had hoped prices would ease by summer, allowing them to fill storage tanks later for less.

The Dutch TTF contract -- the benchmark for European gas -- for September delivery is currently trading around 55-58 euros per megawatt-hour.

The cost was just 30 euros before the Middle East war, and as low as 15-20 euros before the war in Ukraine.

An EU Commission spokesperson expressed confidence that filling storage tanks to 80 percent of capacity "is sufficient to secure winter supply and it is technically achievable".

Europe has significantly ramped up its import capacity since the war in Ukraine, which prompted it to slash its Russian gas supplies.

Russia still supplies around 12% of the bloc's gas imports, according to the European Council, but by the end of 2027 it will ban them completely.

"It is also worth noting that EU gas demand has decreased by 17% compared to pre-crisis levels" before 2022, the spokesperson added. Analysts are not so sanguine.

"Supply risks to Europe remain elevated amid reduced LNG availability from the Middle East," Rystad Energy analyst Antonia Syn said in a recent market update.

Gas infrastructure routinely experiences breakdowns or technical disruptions that halt flows.

And severe cold in the United States -- now Europe's biggest single supplier -- could divert its supplies to domestic buyers.

Asian countries that usually buy from Gulf suppliers could also turn to US or other sources, driving up prices to painful levels for European buyers.

So the longer Europe waits to fill up storage sites, the bigger the risks. "We believe this wait-and-see approach has kept TTF prices from reflecting a scenario of extreme gas scarcity during the winter period," said Pinto at Kpler First. He expects average monthly prices to remain at 55 to 62 euros per MW/h through the rest of the year.

"For now we're seeing LNG go more to Asia than to us, because prices are even higher there," Corbeau said.

"If stocks are down, if the winter is rough and some other problem happens, we'll have to start thinking about conservation measures," she warned, as was the case across Europe in 2022.

Nvidia, Wall Street firms partner on $500bn AI financing venture

Reuters
New York

A group of financial firms, including Apollo Global and Blackstone, is working with Nvidia to put together a $500bn funding package for AI infrastructure development, a person familiar with the matter told Reuters on Monday. Nvidia's shares fell over 3% in afternoon trading.

The tie-up highlights Nvidia's efforts to raise capital for the chips, power generation and data centers underpinning the AI boom.

Big Tech companies have signaled that spending on AI would not slow down, with combined outlays set to surpass $730bn this year. The group, which also includes BlackRock's Global Infrastructure Partners, Brookfield Asset Management, Goldman Sachs and KKR, is in talks to partner with Nvidia on the AI build-out, according to the *Financial Times*, which reported the development first.

BlackRock and KKR declined to comment when contacted by Reuters, while Nvidia and the other companies did not immediately respond to requests.

Nvidia said in June it would raise $25bn through a US bond issuance, as it taps the debt market to increase liquidity for the first time since 2021.

Asia markets rise as investors pare bets on Fed interest rate hike

AFP
Hong Kong

Asian stock markets rose on Monday as investors pared their bets on a Federal Reserve interest rate hike after data showed thousands of US jobs were lost in July, though sentiment was dented by another spike in oil prices.

In Tokyo, the Nikkei 225 closed up 2.1% to 66,970.22 points; Hong Kong - Hang Seng Index ended up 1.1% to 25,937.49 points and Shanghai - Composite closed up 0.7% to 3,966.59 points yesterday.

Tech firms enjoyed a fresh bout of buying following a volatile run in recent weeks, with Japanese and Korean chipmakers leading the charge.

The positive mood was fuelled by figures from the US Bureau of Labor Statistics that showed 23,000 jobs were lost last month, while growth in May and June was revised down.

The reading suggested the world's number one economy was slowing, though traders welcomed the prospect the Federal Reserve will hold off hiking borrowing costs for the time being.

The chances of an increase in September were slashed to about 43% from 64% a week ago, according to Bloomberg.

Inflation data due later this week will be the next guide for investors.

The news helped Wall Street higher, with the S&P 500 ending at a fresh record high, while tech firms -- which benefit from lower rates -- helped the Nasdaq pile on more than one percent.

And the gains filtered through to Asia, with Tokyo climbing more than two percent thanks to healthy advances for Tokyo Electron and Advantest.

Seoul was also up, along with Hong Kong, Taipei, Shanghai, Wellington, Mumbai, Bangkok and Jakarta.

"Markets treated the report as a meaningful challenge to near term Fed rate hike expectations, effectively concluding the Fed has time on its side," wrote National Australia Bank's Rodrigo Catril.

An external view of the Tokyo Stock Exchange building. The Nikkei 225 closed up 2.1% to 66,970.22 points yesterday.

But he added: "The report reduces the case that the labour market is adding inflation pressures, but it does not provide a clean green light for a dovish pivot.

"The report is unlikely, by itself, to deter a September hike… inflation remains the more pressing side of the mandate. The next (consumer price index) prints (for July and August) ahead of the September Federal Open Market Committee meeting are the key data releases to watch."

And DWS chief US economist Christian Scherrmann said: "The report sent a clear dovish message to central bankers. A simultaneous decrease in labor demand and supply usually signals a slowdown in economic activity."

The dollar clawed back the losses suffered Friday in reaction to the jobs figures, and continued to gain against the yen after plunging earlier this month when US and Japanese authorities embarked on a historic joint intervention to support the Japanese unit.

Crude prices extended gains seen at the end of last week as Iran's Revolutionary Guards insisted on Sunday that they would not reopen the Strait of Hormuz until the United States complied with a list of demands.

Tehran insists on retaining control of the waterway -- through which a fifth of world oil and LNG pass -- after the war and wants to charge tolls for passage, which Washington has pushed back against.

Attacks in the strait, which was free to transit before the war, led to the collapse of an April ceasefire, and mediators have urged both sides to return to the terms of a subsequent June memorandum that set out a path for peace talks.

Iran on Saturday released a list of conditions for reopening the strait, including an end to the war on all fronts, the lifting of a US counterblockade of Iranian ports, the end of sanctions, the release of frozen assets, and compensation for wartime damage, the Tasnim news agency reported.

Those conditions echoed the terms of the June agreement, which included a provision to create a $300bn reconstruction fund for Iran.

Iran's Revolutionary Guards said on Sunday that their strategy was to maintain their blockade "until the enemy accepts all our conditions… the strait is now actually a theatre of war for us and not just a waterway."

For his part, US President Donald Trump said in an interview: "We are low-keying it."

"We are only semi-negotiating with them," he was quoted as saying. "We are just watching Iran with its huge inflation and the fact they have no money."