

Central Inn

+974 3990 0200

+974 4419 1000

Brand New Luxury Hotel Suites



**NORTH FIELD EXPANSION** | Page 8

QatarEnergy in talks with Asian buyers for ‘small equity participation’

الإسلامية للتأمين

Islamic Insurance

Protect Yourself and Others

Motor Insurance

at very attractive rates

Contact our Call Center on 4465 8888

via our Mobile App - **QIIC ISLAMIA**

via our website [www.qiic.com.qa](http://www.qiic.com.qa)

Or visit our offices on C Ring Road

Qatar Islamic Insurance Group

Monday, October 31, 2022  
Rabia II 6, 1444 AH

# GULF TIMES BUSINESS



**RECESSION FEARS LOOM: Page 7**

US Fed set for further steep interest rate hike

LEARN MORE

Commercial Bank brings “Google Pay” to its customers

Yet another safer and simple way to pay with your Android and Wear OS devices

البنك التجاري

COMMERCIAL BANK

البنك التجاري

COMMERCIAL BANK

cbq.qa

## QFZA, Google Cloud sign supplementary agreement



HE the Minister of State and chairman of Qatar Free Zones Authority Ahmad al-Sayed and Thomas Kurian, CEO of Google Cloud, shaking hands after signing the agreement.

**H**E the Minister of State and chairman of Qatar Free Zones Authority (QFZA) Ahmad al-Sayed and Thomas Kurian, CEO of Google Cloud, recently signed a supplementary agreement between QFZA and Google Cloud to support the opening and operations of Google Cloud's Centre of Excellence and business incubator in Ras Bufontas Free Zone.

Building on the strategic collaboration agreement signed between QFZA and Google Cloud in 2020, the supplementary agreement supports the development of smart free zone operations using Google Cloud-based solu-

tions and governs the opening of Google Cloud's Centre of Excellence in Qatar Free Zones.

The centre, which was launched virtually in June 2021, has already trained more than 3,000 participants in cloud computing skills, serving as a catalyst to upskill Qatar's digital workforce. Google Cloud's Centre of Excellence will open its doors to participants in Qatar interested in becoming certified cloud digital leaders and will offer training to the community.

Al-Sayed said: “We at QFZ are proud of our longstanding partnership with Google Cloud. It is a partnership that has continued to

deepen and bear fruit over time. Google Cloud has become one of our core partners, benefiting itself from Qatar and its free zones' support and infrastructure, while also providing world-leading technology to our investors, and leading companies across the nation and the region.

“This partnership supports our efforts towards achieving Qatar National Vision 2030, which aims at creating a knowledge-based economy. The partnership was first established in 2020 through a strategic collaboration agreement between QFZA and Google Cloud to launch the first cloud centre for the Mena region.”

Kurian said: “Qatar Free Zones Authority is a key enabler in enhancing Qatar's digital future. QFZA has been a critical partner for us from day one, as we strive to accelerate the adoption of cloud technologies in the country.

Together, we are helping businesses in Qatar leverage the benefits of the cloud to create new opportunities and digitally transform.”

The Google Cloud Centre of Excellence provides a hands-on learning experience for professionals interested in pursuing a career in the cloud industry or looking to lead digital transformation at their companies. It de-

livers free training workshops that certify the digital leaders of tomorrow and offers unique workshops in data, infrastructure, and application modernisation.

The new physical Centre of Excellence will offer a state-of-the-art learning hub that will incorporate workshops, lectures, training and mentoring on digital skills. In addition, the centre will act as an incubator for startups.

QFZA is proud to host innovative partnerships between companies and organisations from different regions and different sectors, coming together to drive value for stakeholders, QFZ, and Qatar.

GWC Forum 2022

READY FOR THE GAME

1<sup>st</sup> November 2022    Qatari MSMEs & the World Cup 2022

OFFICIAL LOGISTICS PROVIDER

REGISTER NOW

OPENING REMARKS

Gianni Infantino

President - FIFA

Jose Dhooma

Head of Event Logistics & Transport

FIFA

Nazli Berberoglu

General Manager

The Coca-Cola Company

Fatma Al Nuaimi

Communications & Media

Executive Director

Supreme Committee for Delivery & Legacy

Hamad Al Abdan

Director of Business Development & Investment Promotion

MoCI

Thani Ali Al-Malki

Executive Director Business

Ooredoo

Dr. Laoucine Kerbach

Professor

Hamad Bin Khalifa University

Dr. Manal Al Zaidan

Director of Pharmacy

Primary Health Care Corporation

Dr. Adel Elomri

Assistant Professor

Hamad Bin Khalifa University

Aysha Khalifa Al Romaihi

Scale 7 - Fashion and Design

Business Incubator

QDB

Syed Maaz

Chief Business Development Officer

GWC

Dr. Christos Anagnostopoulos

Assistant Professor

Hamad Bin Khalifa University

Dr. Kamilla Swart

Associate Professor

Hamad Bin Khalifa University

Emily Angwin

Event Moderator

STRATEGIC PARTNER

RESEARCH PARTNER

MEDIA PARTNER

GIFT SPONSOR

FIFA

اللجنة العليا

للمعارض والمهرجانات

Supreme Committee

for Delivery & Legacy

وزارة التجارة والصناعة

Ministry of Commerce and Industry

دولة قطر - State of Qatar

QDB

بنك قطر للتنمية

Qatar Development Bank

مؤسسة الرعاية الصحية الأولية

PRIMARY HEALTH CARE CORPORATION

## Minister of Commerce and Industry meets Azerbaijan minister



HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani met yesterday with the Minister of Economy of the Republic of Azerbaijan Mikayil Jabbarov and his accompanying delegation who is currently visiting the country. During the meeting, they discussed the topics of mutual interest and ways to boost co-operation between the two countries in trade, investment and industry sectors. HE the Minister of Commerce and Industry highlighted the successful economic policies laid out by the State of Qatar to support the private sector, noting the incentives, legislations and the promising opportunities available in Qatar which aim to encourage the investors, businessmen and business owners to invest in the State of Qatar.

# Qatar Chamber, Azerbaijan SME Development Agency sign MoU



Qatar Chamber board member Ali Abdullatif al-Misnad and SME Business Development Agency chairman Orkhan Mammadov during the signing ceremony.

Qatar Chamber and the SME Business Development Agency of Azerbaijan signed yesterday a memorandum of understanding (MoU) to establish the Qatar-Azerbaijan Joint Business Council.

The MoU was signed by Qatar Chamber board member Ali Abdullatif al-Misnad and SME Business Development Agency chairman Orkhan Mammadov in the presence of the Minister of Economy of the Republic of Azerbaijan, Mikayil Jabbarov, during

a meeting held at Qatar Chamber's headquarters.

Speaking at the meeting, Jabbarov lauded the distinguished relations both countries enjoy, noting that Azerbaijan is eager to further develop its relations with Qatar in all fields, especially in energy and trade. Jabbarov said his country is rife with investment opportunities that would attract Qatari investors. He called on Qataris to explore and benefit from these opportunities. Al-Misnad, on the other hand, stressed the importance of the

agreement in enhancing economic and commercial co-operation, expanding co-operation between business communities, and exchanging mutual visits between representatives of the private sector in both countries, as well as supporting initiatives of business entities in the fields of the development of bilateral trade and economic co-operation.

He also stressed the agreement's importance in facilitating the establishment of economic and commercial partnerships and alliances

| QSE MARKET WATCH              |          |       |             |
|-------------------------------|----------|-------|-------------|
| Company Name                  | Lt Price | % Chg | Volume      |
| ZAD HOLDING CO                | 1755     | 0.34  | 2,283       |
| WIDAM FOOD CO                 | 2.75     | 0.95  | 30,523      |
| VODAFONE QATAR                | 1.67     | 1.34  | 1,287,220   |
| UNITED DEVELOPMENT CO         | 1.44     | 1.05  | 1,830,198   |
| SALAM INTERNATIONAL INVESTME  | 0.79     | 2.08  | 5,512,280   |
| QATAR & OMAN INVESTMENT CO    | 0.64     | -1.09 | 647,440     |
| QATAR NAVIGATION              | 1018     | -3.05 | 1,625,098   |
| QATAR NATIONAL CEMENT CO      | 4.56     | -0.72 | 640,023     |
| QATAR NATIONAL BANK           | 19.25    | -0.41 | 5,181,359   |
| QLM LIFE & MEDICAL INSURANCE  | 516      | 2.44  | 13,480      |
| QATAR ISLAMIC INSURANCE GROU  | 8.75     | 0.00  | -           |
| QATAR INDUSTRIAL MANUFACTUR   | 3.53     | 0.00  | -           |
| QATAR INTERNATIONAL ISLAMIC   | 11.33    | -0.18 | 274,578     |
| QATARI INVESTORS GROUP        | 1.84     | 0.55  | 513,304     |
| QATAR ISLAMIC BANK            | 24.20    | 0.00  | 477,872     |
| QATAR GAS TRANSPORT (NAKILAT) | 4.05     | -0.02 | 678,119     |
| QATAR GENERAL INSURANCE & RE  | 1.87     | -2.35 | 10,000      |
| QATAR GERMAN CO FOR MEDICAL   | 1.52     | -0.46 | 2,915,124   |
| QATAR FUEL QSC                | 18.95    | 0.53  | 855,220     |
| LESHA BANK LLC                | 1.24     | 1.31  | 3,767,704   |
| QATAR ELECTRICITY & WATER CO  | 18.19    | 1.17  | 1,236,226   |
| QATAR EXCHANGE INDEX ETF      | 11.96    | 0.84  | 43,612      |
| QATAR CINEMA & FILM DISTRIB   | 3.45     | 0.00  | 90          |
| AL RAYAN QATAR ETF            | 2.69     | 0.67  | 200,129     |
| QATAR INSURANCE CO            | 2.15     | 0.00  | 576,000     |
| QATAR ALUMINUM MANUFACTURING  | 1.64     | 0.00  | 11,481,839  |
| QOOREDOO QPSC                 | 9.30     | 0.01  | 2,008,414   |
| ALJIARAH HOLDING COMPANY QPS  | 0.91     | 1.11  | 6,895,160   |
| MAZAYA REAL ESTATE DEVELOPME  | 0.85     | 0.59  | 7,840,228   |
| MESAJEED PETROCHEMICAL HOLDI  | 2.27     | 0.89  | 1,686,852   |
| AL MEERA CONSUMER GOODS CO    | 17.02    | -1.05 | 90,150      |
| MEDICARE GROUP                | 6.86     | -2.54 | 56,377      |
| MANNAL CORPORATION QSC        | 7.80     | 5.86  | 1,436,929   |
| MASRAF AL RAYAN               | 3.85     | 0.16  | 9,591,829   |
| AL KHALJI COMMERCIAL BANK     | 0.00     | 0.00  | -           |
| INDUSTRIES QATAR              | 15.67    | -1.14 | 2,238,733   |
| INMA HOLDING COMPANY          | 5.50     | 0.79  | 78,718      |
| ESTITHMAR HOLDING QPSC        | 1.83     | -0.54 | 6,546,013   |
| GULF WAREHOUSING COMPANY      | 4.25     | 0.02  | 489,653     |
| GULF INTERNATIONAL SERVICES   | 1.86     | 2.76  | 12,763,233  |
| AL FALEH EDUCATION HOLDING    | 114      | -0.87 | 398         |
| EZDAN HOLDING GROUP           | 1.24     | -0.96 | 18,375,309  |
| DOHA INSURANCE CO             | 2.09     | 3.16  | 31,329      |
| DOHA BANK QPSC                | 2.20     | 0.14  | 6,092,842   |
| DIALA HOLDING                 | 1.65     | -5.93 | 783,911     |
| COMMERCIAL BANK QSC           | 6.14     | 1.67  | 937,455     |
| BARWA REAL ESTATE CO          | 3.41     | -0.44 | 1,566,337   |
| BALADNA                       | 1.64     | 3.14  | 6,629,461   |
| AL KHALEEJ TAKAFUL GROUP      | 2.75     | 0.95  | 163,124     |
| AAMAL CO                      | 1.13     | -1.91 | 408,228,195 |
| AL AHLI BANK                  | 4.00     | 0.03  | 15,000      |

between the Qatari and Azerbaijani private sectors and exploring new areas of co-operation between them for the benefit of both economies.

The Qatar-Azerbaijan Joint Business Council aims to assist in setting up direct partnership links between business entities of both countries, including SMEs; assist in organising visits; meetings; seminars and round-

tables; participating of businesses in exhibitions and fairs held in both countries; and assist in exchanging and disseminating commercial, trade, and economic information that could be helpful in the economic relations between Qatar and Azerbaijan.

It also aims to support the setting up of joint ventures and other forms of mutually-beneficial co-operation.

# Zad Holding Company Q.P.S.C.



## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2022

| INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT<br>FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 |                                     |                                  |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------|
|                                                                                                         | In Qatari Riyals                    |                                  |
|                                                                                                         | 30 September<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>ASSETS</b>                                                                                           |                                     |                                  |
| <b>Non-current assets</b>                                                                               |                                     |                                  |
| Property, plant and equipment                                                                           | 262,444,051                         | 279,145,781                      |
| Right of use assets                                                                                     | 69,855,476                          | 73,635,936                       |
| Investment properties                                                                                   | 519,564,866                         | 523,566,386                      |
| Investment securities                                                                                   | 344,764,272                         | 453,316,748                      |
| Retention and other receivables                                                                         | 19,440,947                          | 10,579,863                       |
| Deferred tax assets                                                                                     | 130,347                             | 130,347                          |
| Investment in associates                                                                                | 11,391,654                          | 8,855,684                        |
| Goodwill                                                                                                | 19,704,770                          | 19,704,770                       |
| <b>Total non-current assets</b>                                                                         | <b>1,247,296,383</b>                | <b>1,368,935,515</b>             |
| <b>Current assets</b>                                                                                   |                                     |                                  |
| Due from the Government of Qatar                                                                        | 139,825,764                         | 132,476,938                      |
| Due from a related party                                                                                | 12,124,339                          | 6,787,224                        |
| Inventories                                                                                             | 254,674,650                         | 198,533,609                      |
| Investment securities                                                                                   | 1,943,694                           | 1,943,694                        |
| Accounts, retention, and other receivables                                                              | 310,496,829                         | 332,594,091                      |
| Investment in commodities                                                                               | 494,536,434                         | 464,172,643                      |
| Cash and bank balances                                                                                  | 48,734,834                          | 52,898,188                       |
| <b>Total current assets</b>                                                                             | <b>1,262,336,544</b>                | <b>1,189,406,387</b>             |
| <b>Total assets</b>                                                                                     | <b>2,509,632,927</b>                | <b>2,558,341,902</b>             |
| <b>EQUITY AND LIABILITIES</b>                                                                           |                                     |                                  |
| <b>Equity</b>                                                                                           |                                     |                                  |
| Share capital                                                                                           | 273,731,766                         | 260,696,920                      |
| Legal reserve                                                                                           | 563,120,753                         | 563,120,753                      |
| Capital reserve                                                                                         | 15,000,000                          | 15,000,000                       |
| Fair value reserve                                                                                      | (145,566,002)                       | (31,613,512)                     |
| Retained earnings                                                                                       | 680,152,059                         | 724,432,888                      |
| <b>Total equity</b>                                                                                     | <b>1,386,438,576</b>                | <b>1,531,637,049</b>             |
| <b>Non-current liabilities</b>                                                                          |                                     |                                  |
| Lease liabilities                                                                                       | 12,390,124                          | 12,026,725                       |
| Due to the Government of Qatar                                                                          | 97,568,246                          | 97,568,246                       |
| Other non-current liabilities                                                                           | 38,401,817                          | 38,451,891                       |
| Islamic financing                                                                                       | 153,619,163                         | 168,488,710                      |
| <b>Total non-current liabilities</b>                                                                    | <b>301,979,350</b>                  | <b>316,535,572</b>               |
| <b>Current liabilities</b>                                                                              |                                     |                                  |
| Accounts payable, retention and other payables                                                          | 350,549,120                         | 317,786,122                      |
| Lease liabilities                                                                                       | 2,823,109                           | 4,640,324                        |
| Due to related parties                                                                                  | 4,512,470                           | 8,906,274                        |
| Islamic financing                                                                                       | 463,330,302                         | 378,836,561                      |
| <b>Total current liabilities</b>                                                                        | <b>821,215,001</b>                  | <b>710,169,281</b>               |
| <b>Total liabilities</b>                                                                                | <b>1,123,194,351</b>                | <b>1,026,704,853</b>             |
| <b>Total equity and liabilities</b>                                                                     | <b>2,509,632,927</b>                | <b>2,558,341,902</b>             |
| Nasser Mohamed J M Al-Thani<br>Chairman                                                                 |                                     |                                  |

| INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS<br>FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 |                                                                         |                     |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------|
|                                                                                                                 | In Qatari Riyals                                                        |                     |
|                                                                                                                 | For the Nine months<br>period ended 30 September<br>2022<br>(Unaudited) | 2021<br>(Unaudited) |
| Operating revenue                                                                                               | 1,046,821,470                                                           | 817,146,023         |
| Compensation from the Government of Qatar for sale of subsidized flour                                          | 105,860,388                                                             | 66,710,247          |
| <b>Total revenue</b>                                                                                            | <b>1,152,681,858</b>                                                    | <b>883,856,270</b>  |
| Operating cost                                                                                                  | (943,619,334)                                                           | (686,422,371)       |
| <b>Gross profit</b>                                                                                             | <b>209,062,524</b>                                                      | <b>197,433,899</b>  |
| Other income                                                                                                    | 50,043,292                                                              | 57,176,030          |
| General and administrative expenses                                                                             | (56,667,066)                                                            | (58,584,070)        |
| Selling and distribution expenses                                                                               | (57,870,755)                                                            | (52,915,943)        |
| Fair value gain on investment securities - 'At fair value through profit or loss'                               | -                                                                       | 411,399             |
| Finance costs                                                                                                   | (13,229,664)                                                            | (8,680,746)         |
| <b>Net Profit for the period</b>                                                                                | <b>131,338,331</b>                                                      | <b>134,840,569</b>  |
| <b>Earnings per share</b>                                                                                       |                                                                         |                     |
| Basic and diluted earnings per share                                                                            | 0.48                                                                    | 0.52                |

| INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS<br>AND OTHER COMPREHENSIVE INCOME<br>FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 |                                                                         |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------|
|                                                                                                                                                   | In Qatari Riyals                                                        |                     |
|                                                                                                                                                   | For the Nine months<br>period ended 30 September<br>2022<br>(Unaudited) | 2021<br>(Unaudited) |
| Profit for the period                                                                                                                             | 131,338,331                                                             | 134,840,569         |
| Other Comprehensive Income                                                                                                                        | (107,083,806)                                                           | (31,596,568)        |
| <b>Total comprehensive income for the period</b>                                                                                                  | <b>24,254,525</b>                                                       | <b>103,244,001</b>  |

# Fostering legacy in logistics and supply chain through sport mega events

By Dr Christos Anagnostopoulos and Dr Kamilla Swart

A ticking countdown timer on TV screens and social media platforms reminds Qatar's citizens that the first ever sport mega event to be held in Middle East is just days away. The word 'mega' refers to extraordinary high levels of tourism, global media coverage, prestige and economic impact for the host country (including significant construction of facilities and infrastructure specifically for that event). No doubt, Qatar's FIFA World Cup demonstrates all these characteristics. Consider these numbers: The expected viewing audience is 3.6bn persons and 1.2mn spectators; according to Bloomberg (June 22, 2022), Qatar expects November's event to add as much as \$17bn to its economy; moreover, the Qatari Planning and Statistics Authority reports that, to date, the state-sponsored construction boom has driven Qatar's non-energy economy, with the sector comprising around 12% of GDP. In the meantime, the International Monetary Fund (IMF) projects Qatar's economy to grow by 3.4% this year (2022), thanks to a boost from World Cup-linked activities (Reuters). Alongside this, one should not neglect the intangible social effects such as: community cohesion, civic pride, uniting people or improving self-esteem. It is often stipulated that these intangible

effects could be at least comparable in scale to the tangible effects. However, the tangible and intangible benefits a mega sport event brings to the host country (i.e., Qatar) are the result of breaking down in small parts a super complex exercise. In essence, logistics and supply chain management are the terms that best describe how one deals with the complexity behind a sport mega event, which demands the most precise planning and seamless logistics operations. Indeed, sport events are today regarded to be the greatest, non-military related, world-wide logistics operations. So, when it comes to 'dismantling' the complexity behind the 2022 FIFA World Cup, the - in football parlance - timely question becomes: what's the score? As part of a research collaboration agreement between the College of Science and Engineering (CSE) at Hamad Bin Khalifa University (HBKU) and the Gulf Warehousing Company QPSC (GWC), faculty members in CSE's Division of Engineering Management and Decision Sciences (EMDS) met with representatives from GWC. The latter is the FIFA World Cup Qatar 2022 official host nation logistics provider, which is being playing a crucial role in delivering this milestone sport event. Our meeting was not necessarily aimed towards getting a concrete answer to the above question, but rather to better understand firsthand the logistical chal-



Dr Kamilla Swart.

lenges as well as the immense opportunities associated with an event of this scale and magnitude. Our discussion was centred around four key distinct but interrelated sport logistics pillars (as recently published in the International Journal of Logistics Management): managing the sport venues; the newly developed infrastructure and transportation systems for fans and spectators; the management of the athletes' logistics; and of course, the core logistics-related task of GWC that concerns the transportation process of the required equipment for all three above pillars: venues, fans and athletes. The crux of this meeting, however, was the realisation and consensus that these sport mega events involve strong collaborations over extended time periods between various business sec-



Dr Christos Anagnostopoulos.

tors, governmental agencies, and ideally, academic and research institutions. These empirical insights from GWC reminded us of the triple helix model (THM), which was developed with the objective of describing how academia, industry and government interact, concentrating on the circumstances under which this interaction spurs social development and economic growth. For Qatar, these circumstances obviously concern the 2022 FIFA World Cup and the potential this sport mega event presents so that legacy in the field of logistics and supply chain is fostered. The application of the THM in this instance is an interesting one. GWC's collaboration with the country's Ministry of Commerce and Industry has been intense for over a decade, thereby contributing in a concrete fashion to Qatar National Vision 2030. At the same time, GWC - through its various

initiatives and projects - has become the enabling mechanism for supporting micro, small and medium enterprises (MSMEs) operating in the field of logistics inside Qatar. GWC recognises that these MSMEs actually demonstrate high levels of agility and responsiveness to a very dynamic environment thus render them pivotal players for facilitating innovation and economic growth. Though some important questions come to the fore: for example, how does one capture the knowledge that is being created through these super complex to logistically manage events? Or even when one manages to do so, how such a knowledge is being transferred both horizontally and vertically, so the event delivers legacy from a logistics and supply chain perspective too? We believe that this is where the third helix comes to play its part. Academic extroversion, a very significant element of an institution like HBKU, is the one that can capture a large amount of data and help towards optimisation, efficiency and innovative (yet scientific) decision-making. HBKU will work with GWC to identify new research project opportunities so lessons learnt over the last decade (as well as during and soon after the event finishes) are captured through rigorous and applied research endeavours. After all, the 2030 Asian Games may present more complex challenges, whereas the prospect of hosting the Olympic Games even more.

The country's logistics and supply chain ecosystem is expected to excel in all dimensions and cases, so keeping in mind what the three helixes when working harmoniously together can offer is, perhaps, the way forward. Faculty members from the CSE's Division of EMDS will have the opportunity to further discuss the importance of knowledge capturing-sharing at the GWC Forum 2022 in a few days. This year the Forum will examine the contribution the 2022 FIFA World Cup added to the MSMEs in Qatar and further afield through major industries such as sport and event logistics. With 96% of private sector business classified as MSMEs, and with the Supreme Committee for Delivery & Legacy committed to supporting local procurement for tournament preparations, the 2022 FIFA World Cup has undoubtedly laid a strong foundation for further economic diversification and growth. The GWC Forum 2022, together with its partners, provide an ideal opportunity to facilitate global exposure and networking, and serve as a platform to engage in learnings that foster economic sustainability and legacy. Dr Christos Anagnostopoulos is an assistant professor and Dr Kamilla Swart an associate professor and director of the Sport and Entertainment programme at the College of Science and Engineering, Hamad Bin Khalifa University.



Qatar Chamber hosted yesterday the meeting of the Qatar-Saudi Joint Business Council, which was held at the Chamber's Doha headquarters.

## Qatar-Saudi Joint Business Council keen to enhance bilateral relations

Qatar Chamber hosted yesterday the meeting of the Qatar-Saudi Joint Business Council, which was held at the chamber's Doha headquarters. The meeting was attended by Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani, Undersecretary of the Ministry of Investment in Saudi Arabia Mohamed bin Ahmed al-Hasana, Saudi ambassador Prince Mansour bin Khalid bin Farhan al-Saud, and the Saudi side of the joint council chairman Hamad al-Shuwaier, as well as other joint council members. Sheikh Khalifa stressed that the formation of the joint council is a culmination of the efforts exerted by both countries' leaderships to further develop economic and commercial ties and open new channels of partnerships between Qatari and Saudi companies. He also emphasised the robust relations between both nations, noting that economic and trade relations are witnessing significant development, in light of the common desire of business communities to forge alliances and partnerships that contribute to developing the two countries' bilateral trade exchange. Sheikh Khalifa said trade volume between both countries last year amounted to QR674mn, noting that this level doesn't correspond with the aspirations of both nations. On the role of the joint business council in boosting trade, he said the council has an essential role in enhancing the interests of the private sector in both countries, expanding joint investments, reviewing means to improve the business environment, and overcoming obstacles and challenges facing investors on both sides. He added that the council will enhance cooperation between the private sectors, especially since the time is appropriate

for both parties to cement co-operation and develop trade exchange in light of the tremendous potential available in both countries in various economic sectors and the offered incentives for investments. Al-Shuwaier praised the deep relations of both countries and the common desire to enhance co-operation and benefit from the economic transformation in both countries by establishing more commercial partnerships and alliances. He noted that trade volume between both countries reached QR800mn in the first half of 2022. "The council is a new phase in the joint economic work between both sides," he said, stressing that it will enhance exchange in all economic fields and that both countries have achieved great economic achievements. Al-Hasana underscored the importance of strengthening relations between both nations in all fields, saying he trusts that the council would boost trade exchange. He said the Saudi Ministry of Investment and the Qatar Investment Authority both chair the Investment, Energy, and Infrastructure Committee of the Saudi-Qatari Coordination Council. He said this shows that the committee has put forward a number of important initiatives that stimulate mutual investment between the private sector on both sides. Prince Mansour expressed his pleasure in the launch of the Qatar-Saudi Joint Business Council, affirming the common intention of both countries to strengthen relations and surpass pre-2017 levels. Al-Ahsa Chamber of Commerce chairman Abdulaziz al-Mousa invited the Qatari side to attend the 'Al-Ahsa Investment Forum', which will be held in February 2023, while Ebrahim al-Sheikh Mubarak reviewed the investment climate in Al-Ahsa region.



Egypt's president, Abdel Fattah el-Sisi, gestures during a meeting with a delegation from the Qatari Businessmen Association led by its chairman, HE Sheikh Faisal bin Qassim al-Thani, held in Cairo.

# Egyptian president meets delegation from QBA

Egypt's president, Abdel Fattah el-Sisi, recently met with a delegation from the Qatari Businessmen Association (QBA) led by its chairman, HE Sheikh Faisal bin Qassim al-Thani. The meeting was held in the presence of Egyptian Prime Minister Dr Mostafa Madbouly on the sidelines of the '1st International Forum and Exhibition for Industry', which kicked off on Saturday in Cairo. The Egyptian president affirmed the state's keenness to continue direct interaction with investors and the business community, whose success represents support for the path that Egypt is pursuing towards comprehensive development and state building. He expressed Egypt's readiness to take all procedures and facilities for the investment of Qatari businessmen in all fields. Also, al-Sisi underscored his recent visit to Qatar, which he considered successful by all standards. He pointed to the interest that Egypt attaches to stimulating investment and dealing with all concerns facing Qatari businessmen, especially in light of the effective and influential contribution of the private sector and foreign investors to the gross domestic product, employment rates for manpower, and the administrative and organisational capabilities that they possess. In this context, al-Sisi reviewed the reforms and development facilities, as well as measures adopted by

the government to encourage and support serious investments and to overcome all obstacles facing the private sector. This also included the state's steps in developing infrastructure, especially in the ports and airports sector, the road network, and the modern transport system, as well as the huge development in the customs and tax systems, and the modernisation of legal frameworks and systems. Al-Sisi expressed Egypt's readiness to move forward with the visions and ideas proposed by Qatari businessmen and work for their success to serve the development of bilateral relations between the two countries. The meeting witnessed an open dialogue between the Egyptian president and Qatari businessmen on the government's actions to advance the comprehensive development process in Egypt and the prospects for the economy, wherein business community representatives praised Egypt's ambitious development plans and strong will to achieve reform and growth at an accelerated pace. Madbouly pointed to al-Sisi's continuous government directives to support and open horizons for Qatari investors in all fields, especially support and development of the industrial sector, work to increase the volume of exports, and provide more facilities and incen-

tives to Qatari investors, whether in transportation or the establishment of logistic warehouses in several industrial areas, including the 17 industrial complexes and four new cities that have been prepared. He said steps have been taken in this regard, stressing the role of Arab and foreign investors, especially Qataris, in reaching the set goal of \$100bn in exports within five years. Also, Madbouly stressed that the relationship between the two countries is constantly growing and moving forward for the better. HE Sheikh Faisal stressed that Qatar and Egypt have historical relations and that Qatari investments in Egypt go back more than 50 years. He said under the directives of His Highness the Amir Sheikh Tamim bin Hamad al-Thani, QBA is working to strengthen the strong relations between the two countries at the economic and commercial levels in light of the consensus between the two wise leaderships. He lauded Egypt's economic renaissance and mega projects, such as the new administrative capital, ports and road networks, and the facilities provided by the Egyptian government to foreign investors. He said Egypt has a large capacity of young people and a trained workforce. He added that there is seriousness on the part of Qatari businessmen to discuss real investment opportuni-

ties in Egypt, in addition to ongoing negotiations for investments in various sectors. Sheikh Faisal said there are several sectors that Egypt will give priority in the coming period, such as the agricultural sector, food industries, communications, information technology, pharmaceutical industries, and electronic industries, which businessmen are also discussing. QBA board member Sheikh Hamad bin Faisal al-Thani lauded the bilateral relations between both countries, stressing that successive visits between officials from both sides will strengthen relations and pave the way for new investments for the private sector in Egypt, especially as it is the largest Arab market. He welcomed Egyptian investors wishing to invest in Qatar, which offers great advantages to foreign investors. Also, Sheikh Hamad stressed Qatar's keenness to develop economic and trade cooperation relations with the Egyptian business community and companies and to develop joint investments to contribute to supporting the economic development process in the two brotherly countries. QBA board member Sheikh Nawaf bin Nasser al-Thani also praised the bilateral relations between Qatar and Egypt, citing the economic renaissance that Egypt is currently experiencing.

# IPA Qatar showcases digital innovation, tech development at Singapore event

The Investment Promotion Agency Qatar (IPA Qatar) took part in the Singapore Week of Innovation and Technology (SWITCH), a leading tech festival for the Global-Asia Innovation Ecosystem, which ran from October 25-28. IPA Qatar hosted a panel discussion and an interactive booth, in collaboration with QFZA and Media City, highlighting the central role of Qatari business and licensing platforms in supporting companies within the country's growing business ecosystem. Positioning Qatar as a destination of choice for global media and technology firms, IPA Qatar's panel session titled 'Qatar's journey to becoming a global hub for innovation, media and technology' took a close look at different investment opportunities in the country. It also spotlighted Qatar's development of a future-ready workforce as part of the 4th Industrial Revolution; the nationwide rollout of education and training programmes; and the supportive free zones and Media City (Qatar), which help create new avenues to accelerate business growth across all sectors. Moderated by Reem al-Kuwari, acting head (Marketing) IPA Qatar, the panel featured Bader al-Madhadi, Investment Promotion lead, Qatari Free Zones Authority (QFZA); Tefvik Ergun,

head (Project Management & Evaluation), Media City; and Maryam al-Malki, senior executive (Investor Relations), IPA Qatar. Additionally, IPA Qatar's booth at SWITCH, hosted in collaboration with QFZA and Media City, offered another connection point between international in-market experts and the Qatari delegation. It introduced the country's technological and social transformation, and the resulting long-term investment opportunities. Qatar champions innovation, ranking as the 3rd most innovative country in the Arab world, according to the Global Innovation Index 2021. Organised by Singapore Enterprise, a gov-

ernment agency championing business development, and supported by the National Research Foundation of Singapore (NRF), SWITCH is a global platform to catalyse and promote business and investment relations in key innovative industry sectors such as health and biomedical urban solutions; smart cities and urban solutions; trade and connectivity; and emerging sustainable technologies. In its 2022 edition, SWITCH drew participation from more than 15,000 leaders, entrepreneurs, creators, accelerators, and investors, in addition to some 247 Singaporean and international speakers.



The Investment Promotion Agency Qatar took part in the Singapore Week of Innovation and Technology (SWITCH).

# Wall Street stock rally set to face key test this week

Reuters  
New York

A bounce in US stocks that has defied a barrage of major earnings disappointments faces a key test in the coming week, when the Federal Reserve's next meeting could shed light on how long it will stick to the aggressive monetary policies that have crippled asset prices in 2022.

Betting on a less hawkish Fed has been a dangerous undertaking this year. Stocks have repeatedly rebounded from lows on expectations of a so-called Fed pivot, only to be crushed anew by fresh evidence of persistent inflation or a central bank bent on maintaining its pace of rate increases.

Pockets of softness in the US economy have fuelled recent hopes of a tempering of rate hikes, along with signs that some of the world's central banks may be nearing the end of their rate hiking cycles.

Meanwhile, cash-heavy investors afraid of missing out on a sustained rally have contributed to the bullish move, market participants said.

"The market is starting to believe that there is an endgame in sight for this huge global tightening cycle," said Keith Lerner, co-chief investment officer at Truist Advisory Services.

The S&P 500 was on pace to end the week with a gain of over 3%, as investors shrugged off brutal earnings reports from companies such as Amazon, Microsoft, Google parent Alphabet and Facebook parent Meta Platforms.

The benchmark index is up over 8% from its most recent low, a move that has been accompanied by a sharp rally in US Treasuries and a weakening of the dollar, reversing trends that have prevailed for most of the year.

A smaller than expected rate in-



The front facade of the New York Stock Exchange. A bounce in US stocks that has defied a barrage of major earnings disappointments faces a key test in the coming week, when the Federal Reserve's next meeting could shed light on how long it will stick to the aggressive monetary policies that have crippled asset prices in 2022.

crease by the Bank of Canada added to hopes of a peak in global central bank hawkishness, as did comments from a Bank of Mexico board member cautioning against increasing monetary policy to excessively restrictive levels.

While investors have broadly factored in a 75 basis point rate hike on Wednesday at the end of the Fed's

two-day meeting, many will be looking for hints of future policy moves in Chairman Jerome Powell's press conference, as his comments have swayed asset prices this year.

For example, stocks rallied ahead of the Fed's conference in Jackson Hole, Wyoming, in August, only for the market to decline anew after Powell

warned about economic fallout from the Fed's efforts to fight inflation.

"If his tone is as terse and as hawkish as it was in August at Jackson Hole, that would certainly change the narrative rather rapidly," said Art Hogan, chief market strategist at B Riley Wealth.

Next week will also test whether

stocks can continue to weather disappointing earnings news.

More than 150 S&P 500 companies are due to report quarterly results next week, including Eli Lilly, ConocoPhillips and Qualcomm.

Investors will also closely watch next Friday's monthly jobs report for signs of whether the Fed's actions have tempered the labour market.

Plenty of investors believe it's too early to hope for a slowing of rate hikes.

Analysts at UBS Global Wealth Management said the Fed has yet to see evidence of cooling inflation and labour market conditions and that they "continue to think that it is too early to expect the Fed to signal a more dovish stance."

"Conditions for an equity market bottom, including that rate cuts and an economic trough need to be on the horizon, are not yet in place," the UBS analysts said in a note.

Lerner, of Truist, on Friday issued a report downgrading his view on equities to "less attractive" from "neutral" following the rebound.

He said that while stocks have become cheaper on an absolute basis this year, "they have actually become more expensive relative to bonds given the sharp rise in interest rates."

For now, however, it appears the bulls are emboldened.

One example of investor enthusiasm can be seen in the options market, where the one month average daily volume of S&P 500 puts, typically used for defensive positioning, outnumbers bullish calls by the smallest margin in at least four years, according to Trade Alert data.

"The market is thinking good things," said Kristina Hooper, chief global market strategist at Invesco. "Jay Powell will either confirm that or dispel that next week."

## Annual tech gathering takes aim at crypto

AFP  
Lisbon

One of the world's biggest technology get-togethers kicks off in the Portuguese capital tomorrow, with organisers saying a key aim is to ask tough questions about cryptocurrencies.

Around 100,000 people are expected to gather in Lisbon for the four-day Web Summit and related events, the first full-scale edition since 2019 following the disruption of the pandemic.

The conference attempts to bring together startups, investors, business leaders and agenda-broadening speakers – linguist Noam Chomsky and heavyweight boxing champion Oleksandr Usyk are among this year's lineup.

Several of the prime slots, though, are taken by cryptocurrency specialists led by Changpeng Zhao, boss of crypto exchange Binance.

And plenty of companies present – from start-ups to billion-dollar behemoths Yuga Labs and OpenSea – are promoting the technology that fans claim will be the future of the web, gaming and ultimately the entire financial system.

But crypto has so far been derided as a tool to generate investment bubbles, hide illicit wealth and enable scams.

Conference organiser Paddy Cosgrave told AFP there were "a lot of questions to be answered" about crypto, describing it as "largely smoke and mirrors".

"We've done our best to persuade many of the leading lights in the space to come, and some of them will get a bit of a kicking on stage, we'll see how that goes," he added.

Organisers said the event's 70,000 tickets had sold out, with Cosgrave reckoning some 30,000 more people would be in Lisbon for side events.

Zhao's company is the dominant player in the crypto sector, but it has been repeatedly accused of trying to dodge regulatory scrutiny – claims the company has denied.

And it became embroiled in one of the biggest stories of the week, with a \$500mn investment to back Elon Musk's takeover of Twitter.

But the wider crypto sector is struggling with plunging values and flatlining interest from the public.

And the tech industry as a whole is also struggling with supply chain problems, trade disputes between the US and China, and economic volatility that has sent investors fleeing.

Cosgrave, though, played down any suggestion that conferences like his had a role in helping to stimulate investment or turn around the fortunes of the sector.

"It's not really about the establishment or the dominant companies of today," he said.

"It's a gathering of companies that in the future may play some significant role."

As usual, though, the Web Summit will host plenty of figures from the dominant companies – Amazon, Apple, Google and Meta will all be there.

But on a lower level than last year, when the conference played host to Facebook's Nick Clegg and to whistleblower Frances Haugen, who accused their company of stoking hatred in return for clicks.

Cosgrave highlighted the event's history of giving a platform to whistleblowers – this year Mark MacGann, who revealed details of Uber's aggressive lobbying, will be giving a talk.

## Treasury market rally faces reality check as Powell sets path

Bloomberg  
Washington

The optimism that has crept into the US bond market is about to be put to the test. The Treasury market rallied this week, snapping a 12-week losing streak, on speculation that the Federal Reserve will signal plans to scale back its interest-rate hikes after enacting a fourth straight three-quarter-point increase on November 2.

The advance drove the benchmark 10-year yield back around 4%, with some investors wagering that the bond-market rout is poised to end for good as the central bank's previous moves show signs of slowing the economy.

The view has gained support from Fed officials who have indicated the pace of monetary policy tightening may slow by the end of the year, potentially joining policy makers at the Bank of Canada and European Central Bank who are adjusting course or

flagging the possibility of doing so. But investors remain deeply divided over what the Fed will do in December, with futures traders still pricing in the chance of another 0.75 percentage point rate increase.

And it remains possible that neither Fed Chair Jerome Powell nor the October jobs report will clarify the outlook, which will likely hinge on whether inflation shows signs of coming down steadily from four-decade highs.

"What will be interesting is whether Powell tries to say the front loading is over while they are looking to reach their terminal estimate," said Priya Misra, global head of rates strategy at TD Securities, referring to where the Fed's key rate will peak. "Powell has to say terminal risks are to the upside, but a message of the Fed downsizing will be taken by the market as being dovish."

The bond market's recent rebound marks the latest turn in a turbulent year, one that's seen the deepest loss-er in at least half a century and the

most sustained volatility since the onset of the financial crisis in 2007. Traders were burned by optimism about a false bottom earlier this year on speculation that growth was cooling, and recent options trades show the lack of conviction, with some targeting a yield drop to 3.6% and others a rise back to 4.25% by end of November.

Over the next two weeks, jobs and inflation data, as well as Powell's comments after Wednesday's meeting, will provide further insight into whether the market's current outlook is correct.

Among the main data releases, the ISM manufacturing index is forecast to ease to 50 in October, the dividing line between expansion and contraction, while the services gauge is only seen moderating to 55.5.

The week is crowned by the monthly jobs report that's forecast to show 200,000 new jobs created in October, marking a slight drop over the month, while the pace of annual wage growth is seen easing to 4.7%

from 5%. US inflation figures this week suggested a peak may be forming, with the personal consumption expenditure index steady at an annual pace of 6.2% in September.

But a sense of caution is warranted as 10-year Treasury yields edged higher on Friday and European bonds sold off sharply in the wake of double digit inflation readings from Italy and Germany.

"The Fed will definitely go 75 in November, and I think they stay cagey about December as there are two more CPI reports before that meeting," said Donald Ellenberger, senior portfolio manager at Federated Hermes. "They want to get off the 75 basis points treadmill, but the Fed can only step down if the inflation numbers start falling."

The expectations that the Fed will signal plans for an eventual slowdown have been supported by growing concern that the already tight financial conditions will set off a recession. That was highlighted this week when the 10-year Treasury yield dropped

the most below the 3-month since March 2020.

That move was driven by investors increasing their holdings of longer-dated debt on expectations that growth will slow so much that the Fed will start cutting rates next year.

The most recent SMRA portfolio survey showed investors returned to net long territory at 100.1% for the first time since 2021, while a JPMorgan Chase & Co survey of Treasury clients was back to showing a net long holding at its highest point in two years.

"The bond market is telling you that the Fed is nearing its end game and duration is catching a bid as data points to a slowing economy next year," said Arvind Narayanan, senior portfolio manager at Vanguard Group Inc. "The balance is between how much inflation falls relative to lower growth. If inflation is sticky relative to growth, the economy tips into recession and that will see Treasuries rally and being long duration will work for investors."

## Job markets defying central bankers' efforts to cool demand

Bloomberg  
New York

Robust labour markets are defying central bankers' efforts to tamp down inflation and economists' predictions that recession is just around the corner. The strong job market is good for workers. But it's bad for inflation, signalling to the world's central banks, which are raising interest rates at the most aggressive pace in decades, that they can't ease up.

As borrowing costs surge and growth slows, unemployment rates are not rising. Instead, companies across developed economies are complaining of chronic worker shortages. A persistent mismatch between demand for new hires and the supply of workers is supporting wages and shielding consumers from slowdowns just when central banks need fading demand to cool inflation.

As of September, employment across manufacturers and service providers globally had climbed each month for the last two years, according to a JPMorgan Chase & Co gauge produced by S&P Global. And the OECD said unemployment in its 38 member nations reached 4.9% in August. The rate was below or equal to the pre-pandemic level in 80% of the countries.

"You do see broad-based strength in labour markets," said Joseph Lupton, global economist at JPMorgan. "Strong job growth is absolutely the central support for the consumer."

In the US, the unemployment rate is at 3.5%, matching a five-decade low. Employer demand for workers is strong, yet labour-force participation remains below pre-pandemic levels, with 1.7 job vacancies for every unemployed American.

Data out on October 28 showed US employment costs continued to rise at a brisk pace in the third quarter, highlighting the persistence of inflationary pressures that are likely to keep the Federal Reserve on a course of steep interest-rate hikes. The US central bank is predicted to deliver its fourth straight rate increase of 75 basis points this week.

US consumer demand rebounded as Covid-19 lockdowns and restrictions eased, bolstering companies' need for labour. The pandemic had led to many people leaving the workforce while also disrupting the normal flow of immigrant labour. The combination of higher demand and lower supply "propelled us pretty rapidly to a tight labour market," said Julia Coronado, president of MacroPolicy Perspectives. Policymakers will be sifting through Friday's jobs report for any signs of



softening. The data is likely to show employers continued to add jobs at a solid, albeit more moderate, pace in October.

In the euro area, unemployment is at the lowest point in the common currency's 20-year history. Large industrial economies including Australia, Canada and South Korea are also seeing tight labour markets despite rising interest rates.

When and if job growth starts to crack will help determine when central banks can slow or even stop raising rates. So long as hiring remains resilient, they may be reluctant to ease up.

A scenario where inflation comes down and unemployment rises only modestly would be the best case for central banks globally. The Fed optimistically predicts US unemployment will rise in the coming year to 4.4% and hold there.

It's unclear, however, if policymakers can achieve their inflation goals without driving up joblessness, given the role that widespread employment and swift wage gains have played in supporting consumer demand.

Such soft landings are rare. In 1994-1995, under then-Chair Alan Greenspan, the Fed doubled interest rates to 6% and succeeded in slowing economic growth without killing it off or fuelling unemployment. But during periods of high inflation in the 1970s and 1980s, Fed tightening led to unemployment rates surging to 9% in 1975 and 10.8% in 1982.

In the US, Bloomberg Economics estimates it would take net job losses of about 35,000 per month - for a year - to bring inflation back to the Fed's 2% target, and even more if price pressures have grown entrenched.

It's possible that higher rates are still percolating in the economy and eventually will lead to mass layoffs. "Unemployment data are lagging indicators so we will see the impact much later," said Sayuri Shirai, a former Bank of Japan board member who's now a Keio University professor.

"Perhaps we might see the impact of monetary policy somewhat later toward the end of this year," she said. Right now, layoffs are still hovering at historically low levels, but leading

brands in global commerce are starting to signal a slowdown is coming. Meta Platforms Inc., the owner of Facebook and Instagram, said it will freeze hiring and restructure some teams in an effort to cut costs and shift priorities. Goldman Sachs Group Inc has embarked on its biggest round of job cuts since the start of the pandemic. Still, employers are hiring, wages are rising, and layoffs remain scarce.

In the UK, the lowest jobless rate since 1974 masks a labour-force participation problem, with at least 300,000 fewer people employed than before the pandemic.

One example: London's Heathrow Airport has flagged it needs to hire an additional 25,000 people.

In the US, applications for unemployment insurance are near historically low levels. Nearly half of small businesses are reporting they can't fill open positions.

Although there is some indication that labour demand has moderated, "there remains a lot of wood to chop to get labour demand and supply back into balance," said Sarah House, a senior economist at Wells Fargo & Co. Her team isn't expecting the US economy to slip into recession until the second quarter of next year "in part because there is still such overall strong demand for labour."

# Boom time for Gulf states requires sensitive handling

By Fahad Badar

**Budget surpluses increase options for many businesses and governments in the Gulf, but there are challenges for exporters and other sectors. The need for diversification in overseas investments and the internal economy is paramount**

Surging budget surpluses and foreign reserves, low unemployment and increased options for overseas investments are features of the Gulf economies following the recent rise in oil prices. Finance ministers and many citizens around the world will look on with envy. The region will receive a further



economic boost when football fans descend upon Qatar for the FIFA World Cup starting next month,

helping many businesses recover from the fall in trade during the Covid lockdowns in 2020-21. Government revenues will receive a boost. The Qatar government had drawn up a budget for 2022 on the basis of an average oil price of \$55 per barrel – yet the market price has been mostly above \$80 this year. In addition, the rising value of the US dollar – up by around 15% in 2022 – has meant that the local currencies in the Gulf (given the USD peg) have maintained their purchasing power, providing an advantage when importing non-USD priced goods from around the world. Yet this doesn't mean that everyone is thriving, or that there are no difficult decisions for business leaders and policy-makers in the region. So what

are the disadvantages and potential hazards in this time of apparent plenty? First of all, stronger USD and oil prices do not benefit all companies or households. Oil and gas do not comprise the whole economy; for some years now, the Gulf has been more diversified than may be the popular perception outside the region. There is a possible global recession and the rising dollar means exports from the Gulf have become more expensive. A manufacturer and exporter of fertilisers, for example, is likely to face reduced demand and reduced margins simultaneously. As regards tourism, as I noted in an earlier column, Gulf resorts have become more expensive compared with rival destinations in the

Mediterranean and the Indian Ocean. Inflation has been rising in Gulf economies; it is difficult to curb because it is primarily imported inflation through increased cost of imported food. Higher interest rates negatively affect companies with significant borrowings, which include some in the important property sector. There have been significant investments in retail, industrial and residential real estate in the region in recent years. Developers will not always be able to pass on the rising cost of debt to customers in the form of higher rents or sale prices. The consolation for those companies that may be struggling is that the healthy public sector surpluses mean that governments can step in to assist, for

example through soft loans. Diversification of the Gulf economies becomes a key theme. Oil prices are currently high, but they are volatile and unpredictable, and it is unstable to be over-reliant on a commodity. Diversification is a theme in investments, also. Middle East investors will be looking for relatively low-price, value stocks during the current downturn. They will seek to avoid being over-exposed to a fashionable investment class – or indeed, to any single sector. Investment choices when recycling surplus reserves will be the key theme of the next article.

■ *The author is a Qatari banker, with many years of experience in the banking sector in senior positions.*

# US Fed set for further steep rate hike as recession fears loom

AFF  
Washington

The US Federal Reserve is pegged to make a fourth straight steep hike in the key interest rate this week as it battles surging costs, with its aggressive stance fuelling expectations of a recession. American households have been squeezed by soaring consumer prices, propelling economic issues to the top spot among voter concerns in upcoming midterm elections. Fed officials walk a tightrope to try and rein in prices while avoiding a downturn. To raise borrowing costs and cool demand, the US central bank has already cranked up the benchmark lending rate five times this year, including three straight 0.75 percentage point raises.

But with persistently high inflation and a tight labour market supporting wages and spending, analysts say another 0.75 point hike is almost certain at central bankers' next policy meeting. The policy-setting Federal Open Market Committee (FOMC) starts its two-day policy meeting on Tuesday, and all eyes are on signals that it may be ready to slow its campaign in the months ahead. There will be a focus on whether the committee is confident of being "on track" toward a policy stance restrictive enough to manage inflation risks, a Barclays analysis said. Many economists expect the Fed to raise rates again by another half point in December. Federal Reserve Chair Jerome Powell has made it clear that there is no "painless way" to cool the economy and avoid a repeat of the last time US inflation got out of control in the 1970s and early 1980s.



The Federal Reserve building in Washington, DC. The Fed is pegged to make a fourth straight steep hike in the key interest rate this week as it battles surging costs, with its aggressive stance fuelling expectations of a recession.

It took tough action and a recession to bring prices down and the Fed is unwilling to give up its hard-won, inflation-fighting credibility. "We've been told time and again that the Fed would continue to raise rates aggressively until it sees 'compelling' evidence that inflation is slowing down," said Nancy Vanden Houten, US economist at Oxford Economics. "I don't think the data so far meets that standard," she told AFP. The Fed's actions have rippled through the economy, with mortgage rates hitting their highest in decades recently and home sales sliding.

Further Fed hikes are also expected to dampen consumer and business spending, making it more attractive to save rather than spend. Analysts warn that the economy could enter a recession in 2023 on the effects of the Fed's rate hikes, inflation and a global slowdown in growth. Some Fed officials have expressed worries about tightening policy too much, wanting to consider a slower pace of rate hikes or even a pause to assess the impact of current moves, said Vanden Houten. In October, San Francisco Fed President Mary Daly told an event that policymakers should start planning for a reduction in

size of rate hikes, even if it is not yet the time to step back, while Chicago Fed President Charles Evans noted separately that "overshooting is costly." He added that there is uncertainty over how restrictive policy must become. While St Louis Fed President James Bullard, who has advocated for front-loading of policy hikes, referred to a possible pause next year, others have repeated their intentions to keep raising rates until there are signs that inflation is being contained. "This divide reflects positioning for a debate about the course of policy in coming months," said Barclays analysts. The cen-

tral bank's benchmark rate is currently at a target range of 3% to 3.25%. Even with gas prices coming down, consumer prices are not letting up – with a core measure that strips out the volatile food and energy segments surging to a 40-year high in September. Policymakers are not just concerned about high inflation, but that a mindset of continued rising prices will set in – leading to a dangerous spiral and a phenomenon called stagflation. That fear has driven the Fed to front-load its rate hikes rather than pursue the more customary course of small, gradual steps over a longer period.

## Strong dollar seen hurting US outlook and even tilting Fed path

Bloomberg  
New York

A strong dollar is likely to weigh negatively on the US economic outlook and could alter how high the Federal Reserve ultimately raises interest rates, economists surveyed by Bloomberg said. Nearly half of the economists said that international fallout from a strong dollar was either somewhat likely or very likely to spill back to the US over the next 18 months and affect monetary policy. Just 28% saw the currency strength as unlikely to have any impact. The dollar has risen about 13% this year against other major currencies amid geopolitical tensions following Russia's invasion of Ukraine and as the Fed aggressively raises interest rates to fight an inflation rate that's at a 40-year high. The survey of 40 economists was conducted October 21-26. Officials are expected to continue their campaign with another 75 basis-point increase on Wednesday. Their last forecast showed rates reaching 4.4% by year end from a current target range of 3-3.25%, and nudging to 4.6% in 2023.

Chair Jerome Powell and his colleagues are trying to cool the economy and ease price pressures by deliberately tightening US financial conditions, of which the value of the dollar is an important component. A stronger dollar tends to dampen inflation by reducing the costs of imports and lowering domestic production as it raises export prices. "The Fed and its counterparts around the world are in the uncomfortable position of hammering demand to meet a supply-constrained global economy," said Diane Swonk, chief economist at KPMG LLP, in a survey response. "They understand there are spillover effects but have no way of overtly addressing those risks given their own domestic mandates." "Usually the trade deficit would balloon when the dollar appreciated as much as we had seen since last year. But that effect has been curiously absent so far, even as we are already about five quarters into the appreciation process. One

possible explanation is that US is increasing its exports in energy products. The fact that this tightening channel of dollar is absent means that the dollar appreciation is less contractionary to the economy than historically," says Anna Wong (chief US economist). Economists in the survey were divided on how serious financial stresses and strains will become, with a majority seeing an impact on the central bank's moves. In the survey, 44% said they believed the Fed could fully complete its aggressive rate tightening despite possible stresses. But 38% said the policy makers would be forced to cut rates earlier than expected and 18% said the Fed would not be able to raise rates as much as planned. "The Fed may be able to hike as planned but will be forced to slow its pace to avoid financial instability," said Julia Coronado, the founder of MacroPolicy Perspectives LLC. Survey respondents expect rates to peak at 5% early next year and a majority of the economists now expect a US and global recession.

A number of prominent economists, including Nouriel Roubini, have warned that troubles in financial markets could cause the Fed as well as other central banks to backtrack from fighting inflation. "You have a major financial institution that may crack globally, not in the US maybe now, but certainly internationally," Roubini said. Financial stresses were most recently evident in the UK where the Bank of England had to step in to support markets, and Liz Truss resigned as prime minister after only 44 days in office amid a backlash over her low-tax economic plan which shook investor confidence. Two thirds of economists said the British market turmoil resulted very largely or exclusively from UK policies as opposed to Fed tightening and the stronger dollar. The Fed is sometimes referred to as the central bank to the world, reflecting the importance of the US in the global economy. Three-quarters of economists say that's a proper description, though 33% also say the Fed doesn't fully appreciate its role.

# Euro rebound faces test as traders weigh risk of hawkish Fed

Bloomberg  
Frankfurt

The euro's best run against the US dollar in five months is being put to the test due to fading prospects for a dovish tilt from the Federal Reserve and other global central banks. The euro has retreated from a six-week high touched on Thursday, paring its first monthly advance since May, although it still trades well above the level of 0.9536 hit last month, its weakest since 2002. Key now to the common currency's trajectory is whether the US Federal Reserve maintains its hawkish policy stance when it meets next week – something that would bolster the greenback. According to Bank of America Corp and MUFG strategists, it's too early for a Fed pivot and the central bank remains firm on hiking interest rates. "The euro has had a good run," said Lee Hardman, currency analyst at

MUFG. Confidence that Europe has sufficient gas supplies to avoid a winter energy crisis has helped the euro recover in the past few weeks, but further gains are unlikely as this year's strong-dollar trend still has some momentum, he said. "We're not anticipating another big move higher from here. We're expecting the euro to peter out and gradually start to go back down again below parity," he said, adding that he expected it to retest the year's low in the coming months. The euro was trading down 0.1% at 0.9955 per dollar in London on Friday. That followed a 1.2% slide the day before as traders interpreted Thursday's European Central Bank (ECB) decision in a dovish light – something ECB officials later pushed back on. Surprisingly high CPI readings in Germany, France and Italy on Friday reminded investors that persistent inflation will keep central banks under pressure to further tighten rates. This remains the biggest risk for the Fed,



The euro's best run against the US dollar in five months is being put to the test due to fading prospects for a dovish tilt from the Federal Reserve and other global central banks

which has been adamant that it will continue raising rates. The view that interest-rate differentials will continue to favour the dol-

lar, a key driver of euro selling all year, along with the risk that trading in the euro will stay volatile, is keeping some investors away.

"We remain rather cautious on the short term," said Luc Luyet, senior FX strategist at Pictet Wealth Management. "The US dollar may see some further strengthening thanks to a Fed laser-focused on inflation and to the impact the tightening of monetary conditions could have on the global risk appetite." Still, stabilising energy prices has removed a major factor behind the argument to sell the euro, and early signs that investors are less negative on the currency could slow selling in the coming months. "I would not say we're outright long euro or anything like that, but we are advising clients to become less long the dollar relative to the euro than they have been for most of the year," said Sam Zief, head of global FX strategy at JPMorgan Private Bank, adding that falling energy prices had lowered the euro's tail risks. The bank is staying with its forecast for the euro to trade around 95 pence by the end of the year. "But when you

consider the tail risks, the risk that you have a disorderly move to 90 or below has been reduced, making us feel more comfortable about buying euros on dips for the right clients," Zief said. Growing signs of a slowdown in global activity could prompt central banks to cave to recessionary pressures plaguing their economies and temper their tightening efforts. A global economic slowdown could keep the euro vulnerable to selling, given deficits in the region's current account and net direct investment. As a result, the currency may need to wait for a return to growth to see any real move higher, strategists say. "For the euro to rally more sustainably, we need to see a bottoming out in global and regional growth dynamics," said Dominic Bunning, senior FX strategist at HSBC. "While there are some signs that the deterioration in both of these forces is slowing, we are still not past the bottom of the cycle. This will keep the euro under cyclical downside pressure and support the dollar."

# Golden Pass is expected to start production by end-2024, says al-Kaabi

By Pratap John  
Business Editor

Golden Pass is an export-oriented LNG project in the United States, which is expected to start production by end-2024, HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi said yesterday.

"Golden Pass will procure gas from the US market, liquefy and send it to the international markets," HE al-Kaabi said in reply to a question by *Gulf Times* yesterday.

QatarEnergy recently said the construction of Golden Pass, which has a total production capacity in excess of 18mn tonnes of LNG per year, is well underway with first LNG production expected by the end of 2024.

The Golden Pass LNG Export Project is located in Sabine Pass, Texas.

Affiliates of QatarEnergy and ExxonMobil recently agreed to independently offtake and market their respective proportionate equity shares of LNG produced by the Golden Pass LNG Project.

Pursuant to the agreement, QatarEnergy Trad-



Golden Pass is an export-oriented LNG project in the United States, which is expected to start production by end-2024. Picture courtesy: QatarEnergy

ing, a wholly owned subsidiary of QatarEnergy, will offtake, transport, and trade 70% of the LNG

produced by Golden Pass LNG. As a result of this arrangement, Ocean LNG Limited, a joint venture

established in 2016 between affiliates of QatarEnergy and ExxonMobil for offtaking and market-

ing the entire production of Golden Pass LNG, has ceased operations, and will be wound down.



HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi. PICTURE: Thajudheen

## 'QatarEnergy in talks with Asian buyers for 'small equity participation' in North Field expansion'

QatarEnergy is in talks with several Asian buyers for "small equity participation" in the North Field expansion, HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi said yesterday.

"That discussion is still ongoing with several Asian buyers, who will come in as buyers to have small equity participation (in the project). We call them value-added partners," HE al-Kaabi told reporters here yesterday. "One of those

will be hopefully signed shortly," al-Kaabi noted. He said: "The final signature today is relating to international oil companies (IOCs) participation in the North Field South (NFS) expansion project, which comprises two LNG mega trains with a combined capacity of 16mn tonnes per year (MTPY)."

"Today marks the closure of IOCs participation in the North Field expansion project," he added.

## QatarEnergy in talks with TotalEnergies, Eni for stake in Lebanon gas block

QatarEnergy is in the process of talking with Lebanese government for a stake in an exploration block in waters off Lebanon, HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi said yesterday.

"We are also in talks with partners TotalEnergies and Eni for a 30% stake in the offshore exploration block," HE al-Kaabi said.

"In due course we hope to finalise the agreement. When we sign the agreement, we will announce it. That's our policy.

Recently, Lebanon signed an historic agreement with Israel that ended a decades-long dispute over maritime borders. Both countries had laid claim to an area covering 860 square kilometres (330 square miles) that's thought to be gas-rich, according to a Bloomberg dispatch.

The US-brokered pact will allow international companies to begin exploring for natural gas in the previously-contested waters in offshore Block 9, potentially leading to more energy exports to Europe in the coming years.

## Qatar's trade surplus soars 90% year-on-year in September

By Santhosh V Perumal  
Business Reporter

Qatar witnessed a 89.9% year-on-year jump in trade surplus to QR36.29bn in September 2022 with gas constituting more than three-fourth of the total export earnings, according to the official statistics.

The rebound in the country's merchandise trade surplus has been enabled by robust jump in shipments to Asian countries as well as to Italy and the UK, said the figures released by the Planning and Statistics Authority.

The country's trade surplus showed a marginal 0.1% month-on-month jump in September 2022.

The country's total exports of goods (including exports of goods of domestic origin and re-exports) was QR47.6bn, showing a stupendous 70.6% and 1.7% surge year-on-year and month-on-month respectively in the review period.

In September 2022, Qatar's shipments to China were valued at QR6.97bn or 14.6% of the total exports of the country, followed by South Korea QR5.72bn (12%), India QR5.06bn (10.6%), Italy QR3.7bn (7.8%) and the UK QR3.62bn (7.6%).

On a yearly basis, Qatar's exports to the UK grew almost eight fold and those to Italy more than quadrupled. Exports to South Korea shot up 65.32%, China by 64.39% and India by 41.34% on an annualised basis in September 2022.

On a monthly basis, Qatar's exports to Italy zoomed more than 65-fold, those to China expanded 29.07%, South Korea by 27.39% and India by 12.2%; whereas those to the UK fell 28.17% in the review period.

The exports of petroleum gases surged 104.2% on an annualised basis to QR35.4bn, crude by 34.3% to QR4.76bn, non-crude by 13.8% to QR3.05bn and other commodities by 0.8% to QR3.65bn this September.

On a monthly basis, the exports of petroleum gases were seen expanding 5.6% and non-crude by 4.9%, while those of other commodities and crude declined 12.5% and 8.8% respectively in September 2022.

Petroleum gases constituted 75.52% of the exports of domestic products this September compared to 63.8% a year ago period; followed by crude 10.16% (13.06%), other commodities 7.29% (13.32%) and non-crude 6.51% (9.86%).

Qatar's total imports (valued at cost insurance and freight) amounted to QR11.3bn, which strengthened 28.6%

and 7.7% on yearly and monthly basis respectively in September 2022.

The country's imports from China stood at QR1.64bn, which accounted for 14.5% of the total imports; followed by the US QR1.63bn (14.4%), Turkiye QR0.92bn (8.1%), India QR0.64bn (5.7%) and Italy QR0.62bn (5.4%) at the end of September this year.

On a yearly basis, Qatar's imports from Turkiye more than doubled; those from the US shot up 49.54%, Italy by 48.91%, India by 8.79% and China by 2.5% in September 2022.

On a monthly basis, the country's imports from Turkiye more than doubled and those from the US was up 7.24%; whereas those to Italy dipped 14.58%, China by 10.87% and India by 7.47% in the review period.

In September 2022, the group "Turbojets, Turbo propellers and Other Gas Turbines; Parts Thereof" was at the top of the imported group of commodities, with QR0.8bn, showing an increase of 2.4% on an annualised basis. In the second place was "Motor Cars and Other Motor Vehicles for The Transport of Persons" with QR0.3bn, an increase of 61%.

In the third place was "Balloon and Aircraft" with QR0.33bn, showing an increase of 49.8%.

## QFTH hosts 4th Demo Day of its incubator and accelerator programmes

Qatar FinTech Hub (QFTH), founded by Qatar Development Bank (QDB) under the direction of Qatar Central Bank (QCB) to support the growth of the fintech sector in Qatar, recently hosted '4th Demo Day' of its flagship incubator and accelerator programmes.

Demo Day has evolved over the last couple of years to become one of the major and most anticipated fintech events in the region. It is considered the last milestone of the incubator and accelerator programmes, offering a platform to celebrate the graduation of the participating fintechs in each edition and to highlight their achievements before investors, collaborators, partners, and industry stakeholders.

Demo Day received more than 460 worldwide applications from fintech startups and witnessed the graduation of 11 fintechs, including FinMind, Nervegram, FUNDSAIO, Pewarisan.com, ADGS, UrbanPoint, Cadorm, Bankograph, Authenteq, Mihuru, Paycruiser, and Zwipe.

It was also attended, in-person and virtually, by QFTH partners and key players from the local and regional financial ecosystem, investors, global startups, international fintech hubs, aspiring entrepreneurs, and fintech enthusiasts.

QFTH is considered the first-of-its-kind and only incubator in Qatar dedicated to fostering the fintech industry in alignment with QCB's National FinTech Strategy. Its programmes offer training, guidance, access to funding, and a global network of mentors to local and international startups with innovative solutions that address the challenges of financial institutions.

Over the course of 12 weeks, they participated in more than 24 business development sessions delivered by 35 financial institutions and completed a series of high-level masterclasses and bootcamps conducted by QFTH partners and renowned speakers.

The programmes are designed to ensure they can enhance their services and launch their business in Qatar successfully. The programmes have received more than 2,300 applications from 76 countries, having secured 35 partnerships with local and international financial organisations and fintech hubs.

Abdulrahman Hesham al-Sowaidi, QDB acting CEO, said: "We



Abdulrahman Hesham al-Sowaidi, QDB acting CEO, during the event.

would like to thank QCB for their unwavering support. Working under their guidance and in close alignment with our partners, we have been able to provide fintech startups with the key things they need the most, which has made the incubator and accelerator programmes grow and succeed significantly, yielding excellent outcomes.

"For instance, the three completed editions of the programme have introduced several new services and products in fields, such as payment and remittance, wealthtech, digitisation, digital banking, insurtech, crowdfunding, and AI-based solutions to name a few."

He added: "The total valuation of the 67 graduated fintechs from across all four programmes is \$484mn. There are currently 25 companies registered in Qatar after graduating from our programmes, 8 of which have already applied for a PSP licence, which is a great achievement within a considerably short timeframe.

"Our incubation and acceleration programmes have indeed enabled many local entrepreneurs to establish successful Qatari fintech startups and have also attracted many international ones to start their business in the local market."

Heba Ali al-Tamimi, general manager of Communications at QNB Group, said: "We are pleased

to participate in this year's Demo Day as a strategic sponsor, held under the theme 'Next Gen Banking'. Being a leading financial institution locally and internationally, we are committed to contributing to events that support investment in knowledge, innovation, and technological development. We are keen on supporting emerging national companies, and sharing with them our extensive experience as the best providers of banking solutions in the financial sector."

In addition to the fintech pitches, the event also recognised QFTH partners like QCB, QFC, Visa, Microsoft, and EY, as well as sponsors QNB and iPay, for being longstanding supporters, providing the programme graduates with the tools and opportunities to grow and succeed.

As part of its commitment to offering world-class expertise to participating fintechs, QFTH is continuously collaborating with strategic stakeholders within the fintech ecosystem, including financial institutions, technology providers, payment networks, global fintech hubs, academia, and regulators, in addition to partnering with other fintech hubs from Singapore, the UK, Turkiye, Australia, Nigeria, and Sweden.

For more information about QFTH, visit [www.fintech.qa](http://www.fintech.qa)

