STRATEGIC PLAN | Page 8

GWC posts half-yearly net profit of QR100.4mn on revenues of QR748.3mn

Wednesday, July 24, 2024
Muharram 18, 1446 AH

GULF TIMES
BUSINESS

SOLID FINANCES: Page 7

Fitch affirms QIIB's rating at 'A' with stable outlook

Lesha Bank posts H1 net profit of QR54.1mn

Lesha Bank posted a net profit of QR54.1mn attributable to its equity holders in the first half of the year, a 21% growth compared to the corresponding period of last year.

During the first half (H1) of the year, total income reached QR117.1mn representing a growth of 28.6% compared to the previous year in response to the recurring and stable income streams generated by Lesha Bank's diversified investment portfolio.

The bank's total investment and assets under management (AUM) continued their growth momentum, reaching QR3.2bn and QR6.7bn marking a 21% and 12% growth respectively compared to the same period in the previous year. The core business lines of the bank contributed to this growth along with the increased demand for tailor-made investment solutions.

Total assets of the bank now stand at QR7.5bn, representing a YoY growth of 47%, while customer deposits also grew by 20% to reach QR3.7bn.

The total equity of the bank stood at QR1.3bn reflecting a growth of 8% compared to the previous year.

Furthermore, the return on average equity was 8.65%, while the return on average assets stood at 1.57%. The book value reached QR1.13, and the earnings per share reached QR0.097.

The capital adequacy ratio stood at 15.69% in line with the regulatory requirements.

Lesha Bank chairman Sheikh Faisal bin Thani al-Thani; and CEO Mohamed Ismail al-Emadi.

During the second quarter of the year, the bank appointed three new board members reaching a total of nine board members and was ranked among the top 30 asset managers by Forbes Middle East for the year 2024.

Commenting on the financial performance, Lesha Bank Chairman Sheikh Faisal bin Thani al-Thani said, "We are delighted to report another strong financial and operational performance as we continue to reap the benefits of our well-executed business plan. In response to the key business decisions that we took during the past few years we have made substantial progress in the first half of 2024, and our market position and growth trajectory seemingly remain strong.

"The adaptive nature of our business strategy helps us navigate cautiously in different market situations as we continue to target the execution of our value creation approach.

As we move forward, our key aim remains firmly on leveraging our core strengths and expertise to deliver sustainable growth for all our stakeholders."

Lesha Bank CEO Mohamed Ismail al-Emadi noted, "While applauding the success of key financial indicators, our core business teams are dedicated to building transaction pipelines that target the generation and maintenance of a sustainable income stream. Growth in AUM, along with the performance of our deals and managed portfolios, reflects our ongoing pursuit of an effective forward-looking strategy.

"Our client-centric approach continues to attract clients, and we have seen rising demand for bespoke investment products due to the nature of our unique and diversified offerings. We have also made several key strategic decisions to potentially further strengthen the Bank's financial position and operational performance, enabling us to introduce new offerings."

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF LESHA BANK LLC (PUBLIC) 30 June 2024

بنك لشا
LESHA BANK

Below is the extract from interim condensed consolidated financial statements, which are available at www.leshabank.com/investor-relations/financial-statements/

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF LESHA BANK LLC (PUBLIC)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Lesha Bank LLC (Public) ("the Bank") and its subsidiaries (collectively "the Group") as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024 and the related interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of income and attribution related to quasi-equity for the three months and six months periods ended 30 June 2024, and the interim consolidated statement of changes in equity, interim consolidated statement of cash flows, and interim consolidated statement of changes in off-balance sheet assets under management for the six months period then ended, and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Financial Centre Regulatory Authority ("QFCRA"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS issued by the AAOIFI as modified by QFCRA.

Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Doha, State of Qatar
23 July 2024

LESHA BANK LLC (PUBLIC)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024 (expressed in QAR'000)

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS		
Cash and bank balances	**3,787,021**	2,962,937
Financing assets	**66,465**	88,387
Investments securities	**2,948,214**	2,440,385
Investments in real estate	**286,160**	264,262
Fixed assets	**15,023**	17,396
Intangible assets	**16,162**	2,554
Assets held-for-sale	**158,234**	387,303
Other assets	**190,779**	144,849
TOTAL ASSETS	**7,468,058**	6,308,073
LIABILITIES, QUASI-EQUITY AND EQUITY		
Liabilities		
Financing liabilities	**2,405,534**	1,862,616
Customers' balances	**231,046**	129,904
Liabilities held-for-sale	**13,723**	112,220
Other liabilities	**123,610**	149,229
Total Liabilities	**2,773,913**	2,253,969
QUASI-EQUITY		
Participatory investment accounts	**3,435,735**	2,827,095
Equity		
Share capital	**1,120,000**	1,120,000
Share premium	**80,003**	80,003
Legal reserve	**9,439**	9,439
Investments fair value reserve	**(28,412)**	(3,237)
Retained earnings	**84,337**	30,206
Total Equity Attributable to Shareholders of the Bank	**1,265,367**	1,236,411
Non-controlling interest	**(6,957)**	(9,402)
Total Equity	**1,258,410**	1,227,009
TOTAL LIABILITIES, QUASI-EQIUTY AND EQUITY	**7,468,058**	6,308,073
Off-balance sheet assets under management	**6,693,000**	6,188,915
Contingent liabilities and commitments	**2,595**	1

These interim condensed consolidated financial statements were authorised for issuance by the Board of Directors on 23rd July 2024 and signed on its behalf by:

Mohamed Yousef Al Mana
Vice Chairman

Mohammed Ismail Al Emadi
Chief Executive Officer

LESHA BANK LLC (PUBLIC)
INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month and six-month period ended 30 June 2024 (expressed in QAR'000)

	For the three-month period ended		For the six-month period ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
CONTINUING OPERATIONS INCOME				
Income from financing assets	**1,770**	1,507	**3,389**	6,152
Income from placements with financial institutions	**51,591**	25,834	**96,407**	50,264
Profit on the financing liabilities	**(32,314)**	(7,336)	**(60,302)**	(13,168)
Net income from financing assets	**21,047**	20,005	**39,494**	43,248
Fee income	**17,696**	8,843	**32,622**	29,242
Dividend income	**10,782**	4,898	**15,745**	8,091
Profit on Sukuk investments	**27,033**	17,222	**52,615**	31,056
(Loss) / gain on re-measurement of investments at fair value through income statement	**(3,087)**	3,148	**(7,290)**	6,229
Gain on disposal of Sukuk investments	**257**	-	**396**	-
Gain on disposal of equity investments	**1,950**	-	**10,732**	-
Gain on disposal of real estate Investments	**-**	-	**13,933**	-
Net foreign exchange gain	**1,102**	1,645	**1,957**	5,185
Other income, net	**11,840**	7,172	**16,172**	11,558
TOTAL INCOME	**88,620**	62,933	**176,376**	134,609
EXPENSES				
Staff costs	**(19,164)**	(12,181)	**(37,926)**	(30,741)
Depreciation and amortisation	**(1,563)**	(1,489)	**(3,169)**	(3,130)
Other operating expenses	**(11,773)**	(2,947)	**(21,660)**	(7,475)
TOTAL EXPENSES	**(32,500)**	(16,617)	**(62,755)**	(41,346)
Reversal / (provision) for impairment on financing assets, net of recoveries	**2,162**	(219)	**2,162**	(3,148)
Reversal / (provision) for impairment on other financial assets	**125**	(1,352)	**96**	(2,200)
PROFIT BEFORE TAX AND ATTRIBUTION TO QUASI-EQUITY	**58,407**	44,745	**115,879**	87,915
Less: Net profit attributable to quasi-equity	**(32,798)**	(22,269)	**(59,303)**	(43,561)
PROFIT BEFORE INCOME TAX	**25,609**	22,476	**56,576**	44,354
Income tax expense	**-**	-	**-**	-
NET PROFIT FROM CONTINUING OPERATIONS	**25,609**	22,476	**56,576**	44,354
DISCONTINUED OPERATIONS				
Profit from discontinued operations, net of tax	**356**	525	**-**	1282
NET PROFIT FOR THE PERIOD	**25,965**	23,001	**56,576**	45,636
Attributable to:				
Equity holders of the Bank	**25,361**	22,603	**54,131**	44,721
Non-controlling interest	**604**	398	**2445**	915
	25,965	23,001	**56,576**	45,636
Basic/diluted profit per share from continuing operations - QAR	**0.022**	0.020	**0.048**	0.040
Basic/diluted profit per share from discontinued operations - QAR	**-**	-	**-**	-
Basic/diluted profit per share - QAR	**0.022**	0.020	**0.048**	0.040

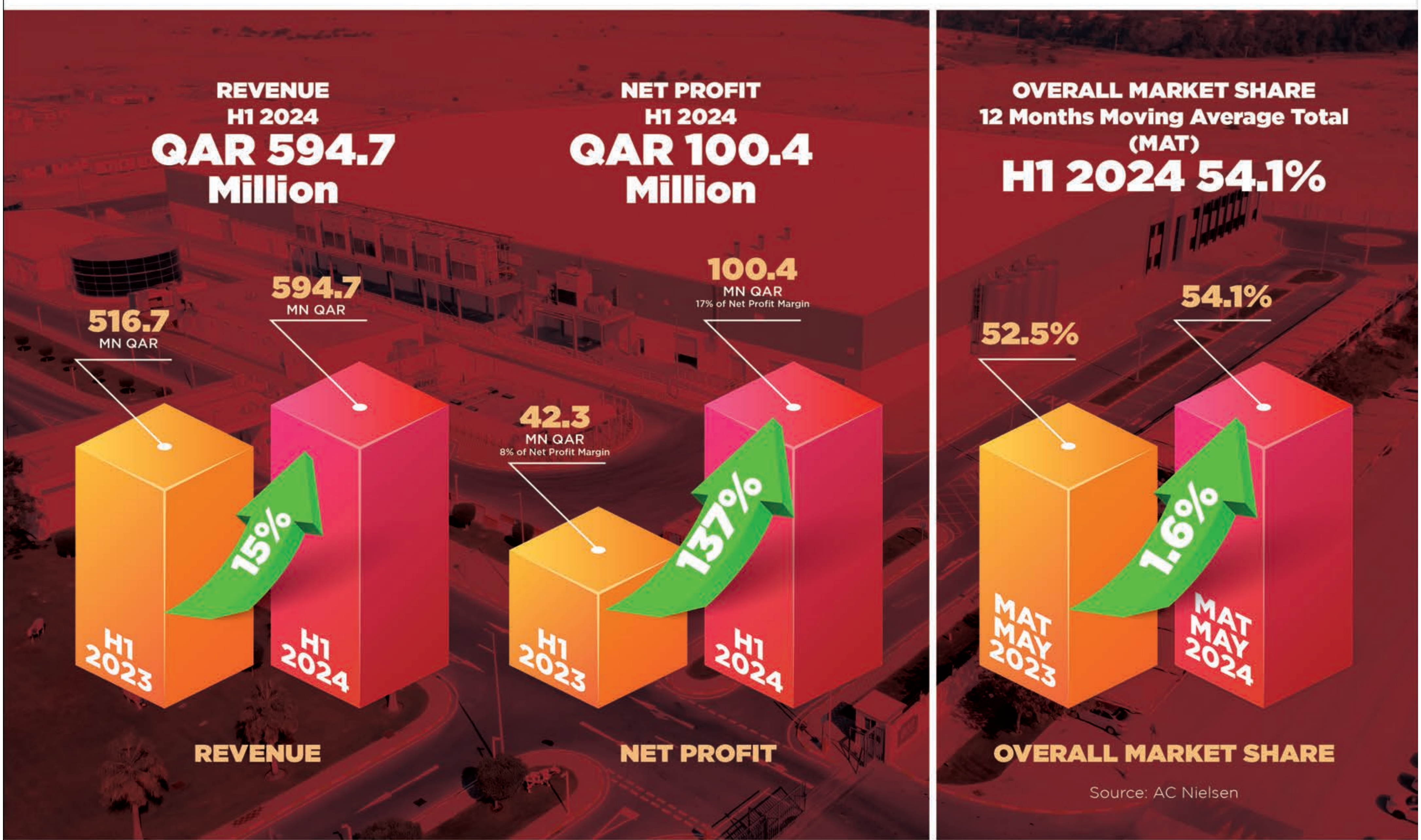
PO Box 28028, Doha, Qatar | T +974 4448 3333 | F +974 4448 3560 | information@leshabank.com | www.leshabank.com
Lesha Bank LLC (Public) is authorized by QFCRA under license No. 00091 and listed on the Qatar Stock Exchange (QSE:QFBQ)

BUSINESS

Consolidated financial results for the six months period ended 30 June 2024

BALADNA achieved a substantial revenue growth of 15% and net profit growth of 137% in H1 2024

بلـــدنا ش.م.ع.ق.
BALADNA Q.P.S.C.



Doha, Qatar, 24th July 2024: Baladna Q.P.S.C. the leading Dairy and Juice company in Qatar, disclosed its H1 2024 financial results yesterday, covering the six months period ending 30th June 2024. Baladna reported robust growth in revenue and net profit compared to the corresponding period last year.

BALADNA ANNOUNCED THE FOLLOWING:

- The company recorded a net revenue of QAR 594.7 million, marking a significant increase of 15% compared to the same period last year. This growth was primarily driven by increased sales volumes across all channels, favourable market conditions observed during the period and continued market share gains
- The net profit increased significantly by 137%, reaching QAR 100.4 million, which equates to a net profit margin of 17%
- Earnings per share stood at QAR 0.053
- The record-breaking growth in net profit was attributed to the following factors:
  - Higher sales volumes across HORECA and retail channels by expanding market share in key product categories
  - Operational efficiency across the entire value chain
  - Reduction in finance cost through effective negotiations
  - Strategic and efficient cost controls measures
- During the second quarter of 2024, Baladna achieved a revenue of QAR 281.9 million and net profit of QAR 52.2 million. This represents a revenue growth of 7% and substantial net profit growth of 134% compared to same quarter last year

Baladna is strategically enhancing its product portfolio while actively exploring opportunities for innovation and introducing new offerings. Baladna entered the high protein milk market and successfully expanded Greek Yogurt portfolio as the key developments in the first half of the year. The company has relaunched its juice portfolio with a refreshed appearance and new flavours aiming to enhance the consumer experience. Furthermore, the "Awafi" product range has been revitalized and refreshed with a distinct brand proposition of 'Every Day Value, Every Day Quality', featuring a new packaging identity across the entire portfolio. These initiatives demonstrate Baladna's dedication to delivering high-quality products, meeting changing consumer preferences, and making a meaningful contribution to food security of the country.

Regarding the progress of Algeria project, it is noteworthy that Baladna is advancing according to the plan. Groundbreaking activities are expected to commence in the near future. The project will be considered as the largest integrated dairy farming and production facility in the world and aims to meet 50% of Algeria's national demand for powder milk. The expected investment is around $3.5 billion with a capacity of producing 1.7 billion litres of milk per year. Planned herd size is around 272,000 covering 117,000 hectares of land comprising with arable farming, dairy and beef farming and powder milk manufacturing facility. This project aims to generate significant shareholder value and marking a crucial milestone in Baladna's global growth strategy.

Driven by a steadfast commitment to operational efficiency and rigorous cost controls, Baladna's management remains focused on strengthening Qatar's food security and self-sufficiency. The company is dedicated to delivering value to its shareholders through superior product offerings, expanding its product portfolio, and optimizing efficiency across its entire value chain.

Key Operating Highlights

- Significant progress in Algeria project
- Increase in revenue in all product categories and sales channels
- Increase in market share
- New product launches to expand the portfolio
- Operational efficiency across entire value chain

For the complete financial statements, please visit:
https://baladna.com/corporate
or email: ir@baladna.com

SCAN ME

www.baladna.com

BALADNA Q.P.S.C.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders
Baladna Q.P.S.C.
Al Khor, State of Qatar

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Baladna Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 30 June 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the six-month period ended, changes in shareholders' equity and cash flows for the six-month period ended and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Fathi Abu Farah
Partner
Moore Stephens and Partners
License No. 294
QFMA Auditor License No. 120189

23 July 2024
Doha, State of Qatar

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

	For the three month period ended		For the six month period ended	
	30 June 2024 (Reviewed) QR	30 June 2023 (Reviewed) QR	**30 June 2024 (Reviewed) QR**	30 June 2023 (Reviewed) QR
Revenue	**281,873,549**	262,244,536	**594,661,743**	516,689,845
Cost of revenue	**(211,016,651)**	(210,269,639)	**(452,212,207)**	(414,644,429)
Gross profit	**70,856,898**	51,974,897	**142,449,536**	102,045,416
Other income	**27,519,583**	28,885,279	**55,849,997**	58,919,416
Gain on investment at FVTPL	**4,276,866**	1,696,427	**9,761,614**	2,170,391
Dividend income	**2,224,890**	2,284,393	**2,224,890**	2,284,393
General and administrative expenses	**(16,197,914)**	(18,960,885)	**(32,857,329)**	(38,040,219)
Selling and distribution expenses	**(22,289,745)**	(21,169,019)	**(48,509,616)**	(40,841,024)
Operating profit for the period	**66,390,578**	44,711,092	**128,919,092**	86,538,373
Finance costs and bank charges	**(13,996,517)**	(22,533,978)	**(27,856,868)**	(44,191,941)
Profit before income tax	**52,394,061**	22,177,114	**101,062,224**	42,346,432
Income tax expense	**(84,997)**	(76,118)	**(398,594)**	(227,408)
Profit after tax for the period	**52,309,064**	22,100,996	**100,663,630**	42,119,024
Net profit attributable to:				
Equity holders of the parent	**52,169,893**	22,279,732	**100,420,729**	42,297,760
Non-controlling interest	**139,171**	(178,736)	**242,901**	(178,736)
	52,309,064	22,100,996	**100,663,630**	42,119,024
Other comprehensive income:	–	–	–	–
Total comprehensive income for the period	**52,309,064**	22,100,996	**100,663,630**	42,119,024
Total comprehensive income attributable to:				
Equity holders of the parent	**52,169,893**	22,279,732	**100,420,729**	42,297,760
Non-controlling interest	**139,171**	(178,736)	**242,901**	(178,736)
	52,309,064	22,100,996	**100,663,630**	42,119,024
Basic and diluted earnings per share (*Expressed in QR per share*)	**0.027**	0.012	**0.053**	0.022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	30 June 2024 (Reviewed) QR	31 December 2023 (Audited) QR
ASSETS		
Non-current assets		
Property, plant and equipment	**3,174,273,167**	3,188,839,696
Right-of-use assets	**115,917,168**	121,517,109
Intangible assets	**9,432,066**	7,491,787
Goodwill	**6,792,635**	6,792,635
Financial investments held at FVTPL	**444,000,410**	371,841,124
Biological assets	**175,830,071**	196,432,194
Total non-current assets	**3,926,245,517**	3,892,914,545
Current assets		
Inventories	**372,117,621**	400,329,395
Trade and other debit balances	**407,620,731**	408,503,392
Biological assets	**215,000**	2,278,900
Due from related parties	**78,067,679**	79,788,891
Cash and bank balances	**28,169,063**	59,711,283
Total current assets	**886,190,094**	950,611,861
TOTAL ASSETS	**4,812,435,611**	4,843,526,406
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	**1,901,000,000**	1,901,000,000
Legal reserve	**48,120,521**	48,120,521
Acquisition reserve	**201,123,011**	201,123,011
Retained earnings	**173,820,706**	205,519,477
Equity attributable to owners of the parent	**2,324,064,238**	2,355,763,009
Non-controlling interests	**2,603,983**	2,361,082
TOTAL SHAREHOLDERS' EQUITY	**2,326,668,221**	2,358,124,091
LIABILITIES		
Non-current liabilities		
Islamic financing	**1,755,130,977**	1,720,822,007
Employees' end of service benefits	**17,343,412**	16,001,968
Lease liabilities	**107,311,990**	111,943,670
Total non-current liabilities	**1,879,786,379**	1,848,767,645
Current liabilities		
Current portion of Islamic financing	**191,780,416**	176,309,615
Short term financing	**51,014,061**	96,904,033
Trade and other credit balances	**237,493,073**	260,563,345
Bank overdrafts	**112,742,184**	87,645,775
Lease liabilities	**9,207,351**	10,119,346
Due to related parties	**3,743,926**	5,092,556
Total current liabilities	**605,981,011**	636,634,670
TOTAL LIABILITIES	**2,485,767,390**	2,485,402,315
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,812,435,611**	4,843,526,406

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on 23 July 2024 and signed on their behalf by:

Mr. Ramez Mhd Ruslan Al Khayat
Managing Director

Mr. Malcolm Jordan
Chief Executive Officer

Mr. Saifullah Khan
Chief Financial Officer

BUSINESS

Saudi growth this year seen marred by lower for longer oil output

Reuters
Dubai

Saudi Arabia's economic growth will likely be one of the slowest among the Gulf Co-operation Council (GCC) countries this year, according to a Reuters poll of economists who lowered growth forecasts from three months ago due to extended oil output cuts.
The Organisation of the Petroleum Exporting Countries and allies led by Russia, known as Opec+, were expected to start raising production this year but in June said the reductions would continue well into 2025.
Despite the war in the Middle East, oil prices have struggled to stay above $80 per barrel, prompting the International Monetary Fund (IMF) to cut this year's growth forecast for Saudi Arabia, the largest economy in the region.
The latest Reuters poll of 24 economists taken on July 8-22 showed Saudi Arabia's economy would expand 1.3% this year, down from 1.9% forecast in an April survey and substantially lower than the 3.0% predicted in January.
"Lower oil revenues are impacting non-oil growth. Saudi Arabia is in the process of an overhaul of Vision 2030 and adjusting investment spending...The impact on real GDP growth is clear — less investment means a more moderate growth outlook," said Ralf Wiegert, director of Mena economics at S&P Global Market Intelligence.
Economists said lower oil revenues were likely to constrain investments in non-oil sectors, affecting the overall expansion in 2024.
But the Saudi growth forecast for 2025 was upped to 4.5% from 4.1%in April.
"Expected growth has been increased for 2025...The reason for that is a change in expected oil production, which we think will be increased earlier than previously projected — though not back to the level that prevailed until July 2023," added Wiegert.
The United Arab Emirates (UAE), also focused on diversifying its economy, was expected to expand faster than its neighbour this year — 3.7% — as it soon ramps up oil production and continues to focus on tourism, followed by 4.2% growth in 2025.
"The UAE will be able to raise oil output sooner than other Opec+ members and, coupled with supportive fiscal policy, it is likely to hold onto its position as the fastest-growing economy in the Gulf both this year and next," noted James Swanston, Middle East and North Africa economist at Capital Economics.
"In the rest of the Gulf, after the Opec+ decision to keep oil output lower for longer, economic growth in Kuwait, Oman, and Bahrain will be weaker this year than we had previously pencilled in." While Kuwait was expected to remain in a recession this year, Qatar, Oman and Bahrain were seen expanding 2.2%, 1.6% and 2.6%, respectively. Overall growth in the region was seen averaging 1.9% in 2024.
However, inflation was expected to stay subdued with median forecasts ranging between 1.0% and 3.0% in 2024, including the lowest in Oman and the highest in Kuwait. In Saudi Arabia, it was expected to average 2.1% this year.
"Inflation dynamics in the Gulf have been very benign, even at the height of global inflationary pressures," said Francesco Arcangeli, emerging market economist at J.P. Morgan.
"We overall see inflation behaving well. For Saudi Arabia, the main source of recent pressure has been related to rent prices...Upside risks could be related to the large ongoing spending, but on the other hand these appear to be mitigated by a supportive labour market."

Adnoc, Borouge, Borealis to build China polyolefins complex with Wanhua Chemical

Reuters
Dubai

Abu Dhabi petrochemicals firm Borouge said on Tuesday it planned to build a polyolefins complex in China with Wanhua Chemical through a consortium with Adnoc and Borealis, as it seeks to boost growth in its core Asia market.

A consortium of Abu Dhabi National Oil Company (Adnoc), Borouge and Borealis signed a project collaboration agreement with Wanhua and its subsidiary Wanrong New Materials (Fujian) to build the complex.

Borealis is a joint venture owned 75% by Austria's OMV and 25% by Adnoc. Borouge is a joint venture between Adnoc and Borealis in which they hold 54% and 36%, respectively.

The proposed project in Fuzhou, Fujian province, would produce 1.6mn metric tonnes per annum (mtpa) of speciality polyolefins, Borouge said in a stock exchange filing.

The consortium plans to set up a joint venture with Wanrong New Materials with ownership split equally between Chinese and foreign holdings, Borouge said.

Adnoc and OMV have been in talks for over a year about a merger of Borouge and Borealis, which would create a chemicals group with over $20bn in annual sales.

At the end of February, Adnoc said it bought a 24.9% stake in OMV from Abu Dhabi sovereign wealth fund Mubadala, without disclosing the financial terms. It said the deal increased Adnoc's shareholding in both Borouge and Borealis but did not disclose the ownership breakdown.

Another Adnoc unit, Adnoc Logistics & Shipping, separately announced on Tuesday a shipbuilding agreement for AW Shipping, its joint venture with Wanhua set up in 2020 to expand its global footprint and boost industrial ties between the UAE and China.

AW Shipping has awarded shipbuilding contracts to China's Jiangnan Shipyard, worth roughly $1.9bn, Adnoc L&S said. The deal includes contracts to build nine Very Large Ethane Carriers (VLECs) for about $1.4bn and two Very Large Ammonia Carriers (VLACs) for $250mn each, with an option for two more VLACs at the same price.

Turkiye keeps eye on liquidity with rates on hold amid lira glut

Bloomberg
Istanbul


Turkish Central Bank Governor Fatih Karahan.

Turkiye's central bank said it's focusing attention on a build-up of lira liquidity as it extended its interest-rate pause into a fourth month.

The Monetary Policy Committee, led by Governor Fatih Karahan, left the one-week repo rate at 50% on Tuesday, in line with the forecasts of all analysts surveyed by Bloomberg. It repeated that the sterilisation of liquidity "will be implemented effectively" with additional tools "whenever needed."

The price of 10-year lira government bonds rose, sending the yield down 28 basis points to 27.78% as of 4.16pm in Istanbul. The Turkish currency was little changed after the rate announcement.

With official borrowing costs unlikely to rise further, policymakers have started to focus on the side effects of their efforts to replenish foreign-exchange reserves that resulted in billions of liras being pumped into the economy. The excess liquidity has been a drag on deposit rates and the cost of overnight funding, a worry for the central bank even after a turnaround in inflation in June.

The MPC also gave hawkish guidance on future moves, warning that monthly inflation "will rise temporarily" in July and vowing to maintain a tight stance until it sees a lasting slowdown in monthly price increases.

"In addition to the high level of and the stickiness in services inflation, inflation expectations, geopolitical risks, and food prices keep inflationary pressures alive," the central bank said in a statement.

Consumer inflation slowed in June for the first time in eight months, but remains at over 14 times the official target of 5%. Karahan has tried to squash speculation of premature easing, saying he wants to ensure he can meet inflation goals beyond this year before discussing rate cuts.

The governor said increases in electricity prices and taxes alone would add 1.5 percentage point to monthly inflation in July.

That prompted some analysts to revise their forecasts, with QNB Finansbank's Erkin Isik predicting price increases will hit 4% this month. The central bank said the underlying trend in inflation would be little affected despite what it believes will be a short-lived pullup in July.

Annual inflation is still expected to slow from its current level of just under 72% due to the so-called base effect of comparing prices with the previous year's rapid gains.

Turkiye targets 14% inflation by the end of next year, while households see the figure at 71.5% in 12 months, a gap the central bank says is perpetuating a cycle of rising prices.

"The Turkish central bank's decision to keep rates on hold is a sign of things to come — any threats to the inflation outlook will likely be addressed with tightening via alternative tools. We also expect the central bank to tackle the market's ongoing lira oversupply with liquidity steps," says Selva Bahar Baziki, economist, Bloomberg Economics.

The central bank's latest view of liquidity included a tweak in the language that suggests it will be more "proactive" in controlling the lira oversupply, according to Orkun Godek, deputy general manager of strategy and research at Deniz Investment.

Policymakers said the situation is "assessed with respect to prospective developments and closely monitored." The market's lira abundance has turned the central bank into a net borrower via open-market operations continuously since July 12.

The liquidity build-up is complicating the central bank's efforts to keep financial conditions tight by dragging down deposit rates, which is the opposite of what officials want to achieve.

In response, policymakers have used sterilisation tools to draw out excess liquidity from the market and support monetary tightening. The central bank's net funding stood at negative 212bn liras ($6.5bn) as of July 22.

The rate decision followed Moody's upgrade of Turkiye's credit rating by two notches last week — the first increase in 11 years — a decision it said was warranted by improved credibility in the central bank's monetary policy. That left Turkiye's rating at B1, four levels below investment grade.

Morgan Stanley said the upgrade might attract "higher quality" foreign inflows to Turkish assets, noting that lasting confidence in the currency would require a significant and sustained slowdown in inflation.

Egypt economy seen to grow by 4% in 2024-25

Egyptian economic growth will be slightly slower this year than thought in April following a $8bn agreement signed with the International Monetary Fund in March, according to a Reuters poll.
The median forecast in the Reuters poll of 17 economists was for gross domestic product (GDP) to grow 4% in the fiscal year that began on July 1, down from a forecast of 4.35% for the same year made in April and of 4.15% made in January.
The poll suggested the economy had grown 2.9% in the financial year that ended on June 30. This is lower than the 3% they had predicted in April and 3.5% in January.
Growth should rebound to 4.99% in 2025/26, the poll showed.
James Swanston of Capital Economics said the tighter fiscal and monetary policy and a weakened pound after the IMF agreement would weigh on growth.
"The overall net impact is that economic growth will be weaker this fiscal year, but there are reasons to be more optimistic on GDP growth from FY2025/26 onward," Swanston said.
The Gaza crisis has also hurt the Egypt economy by causing Suez Canal revenue to plunge by more than half and tourism growth to slow — two of Egypt's main sources of foreign revenue.

Bloomberg QuickTake Q&A

A brief history of Kamala Harris, her politics and 2024 prospects

By Akayla Gardner

US Vice-President Kamala Harris is now the obvious heir as the Democratic nominee following President Joe Biden's announcement that he would not seek re-election. Harris's ascent is a remarkable turn of fate for a politician whose unpopularity has been viewed as a key reason why Biden initially decided to seek a second term. While Harris, 59, has secured major endorsements and has strong appeal with crucial voting blocs for Democrats — as the first woman of colour to serve as vice-president — there is still a chance others could mount challenges for the nomination.

What do the polls say about Kamala Harris?

In a Bloomberg News/Morning Consult poll conducted in early July, 46% of swing-state voters said they trusted Harris to fulfil the duties of the presidency if Biden were no longer able to continue. Some 77% of swing-state Democrats said they supported her to take over for Biden if he were unable to continue.
In an earlier May poll, Harris trailed Trump by seven percentage points in a hypothetical head-to-head match-up in seven battleground states, wider than the four-point advantage Trump held over Biden in the poll.
Polling released since Biden's disastrous debate with Republican nominee, former President Donald Trump, has offered encouraging signs for Harris. A CNN poll conducted after the debate found Harris trailed Trump 45%-47% among registered voters in a hypothetical match-up, compared to Biden who trailed Trump 43%-49%. Harris had previously performed worse or as good as the sitting president in most pre-debate polls.
Harris has also performed slightly better than Biden in polls among young people and Black voters, according to Roshni Nedungadi, chief research officer at the data firm HIT Strategies.

What's her background?

Kamala Harris is the daughter of an Indian immigrant, her late mother Shyamala Gopalan, and a father from Jamaica, Donald Harris. Her father became a college economics professor and her mother was a breast-cancer researcher, whom Harris often credits as her role model.
In her memoir *The Truths We Hold: An American Journey*, Harris recalled attending civil-rights protests with her parents as a child — a key source of inspiration for her decision to pursue a career as a lawyer, and subsequently in politics.
Harris identifies as Christian but also attended Hindu temples with her mother growing up. Her husband, the second gentleman Douglas Emhoff, is Jewish. He is the first Jewish spouse of a vice-president.
Harris attended Howard University and is a member of Alpha Kappa Alpha, the nation's oldest Black sorority. She has a law degree from UC Law San Francisco and began her career a deputy district attorney in Oakland, California in 1990. Harris started her career handling domestic violence and child abuse cases.

What did she accomplish before she became vice-president?

Harris has been a first in nearly every office she's ever held. In 2003, she was elected San Francisco's district attorney, becoming the first Black woman to be named to the post. After that, she was elected as the first African American and first woman to serve as California's attorney general.
Harris labels herself a progressive prosecutor, often stating that one of her key focuses is on criminal justice reform. That hasn't spared her from some criticism about her criminal justice record, with some on the left pointing to a rise in convictions.
In her 2009 book *Smart on Crime*, Harris wrote about her philosophy of early intervention and rehabilitation for first-time, nonviolent offenders.
In 2016, she was elected to the US Senate representing that State of California. She became the first South Asian senator in history. As a member of the Judiciary Committee, Harris became known for her lacerating interrogations of Trump administration officials and nominees.
Harris has had her share of difficulties throughout her career in national politics, including some self-inflicted wounds. Her 2020 presidential campaign started with lofty expectations, but flamed out before the Iowa caucuses as she struggled to convey a clear message to voters and her operation was plagued by infighting. Harris bowed out of the race in December 2019. Biden selected her as his running mate in August 2020.


US Vice-President and Democratic presidential candidate Kamala Harris speaks at her campaign headquarters in Wilmington, Delaware, on Monday.

What's Harris done as vice-president?

As vice-president, Harris has made unforced errors and sometimes struggled to communicate. She came under fire for her role addressing the root causes of migration as crossings at the US-Mexico border surged. Republicans have pounced on her gaffes and have tried to portray her as a ditz. Harris also had high staff turnover early in her term, with some former aides describing her as a tough boss.
While Harris faltered with parts of her portfolio such as border security, she has energised women, especially Black women who power the Democratic base, and younger voters outraged over the repeal of Roe v Wade. Over the last year, Harris has spoken out against gun violence and restrictions on abortion. The White House deployed her on the offensive to counter political opponents, condemning book bans and new reproductive health limitations. She has travelled the country to speak to constituencies that Biden had struggled with, and frequently appears in front of audiences of colour and young voters, which polls show are among the most disillusioned blocs of the Democratic base. A common refrain of Harris's is "I love Gen Z."

Who are the potential candidates for her running mate?

The conventional wisdom is that Harris will turn to a Democrat governor from a swing state, such as Pennsylvania Governor Josh Shapiro or North Carolina Governor Roy Cooper. Kentucky Governor Andy Beshear's name has also come up, as has Pete Buttigieg's, the Transportation Secretary.
Mark Kelly, a senator from Arizona, is another swing-state option. A former astronaut and Navy combat pilot who entered politics only after his wife, former Representative Gabby Giffords, was shot in 2011. Kelly won office in 2020, winning the seat previously held by John McCain.

Which other Democrats could challenge Harris for the nomination?

Concerns about Harris has some Democrats eyeing additional governors, including Gavin Newsom of California, JB Pritzker of Illinois and Wes Moore of Maryland. Pritzker, a billionaire, would have the added advantage of deep pockets that could help fund a White House bid. Unlike Harris, they don't carry the baggage of Biden's economic and political record.
Harris has a unique advantage: The vice-president now can spend the $96mn Biden's campaign had on hand when he exited the race. A new candidate wouldn't have immediate access to all of Biden's campaign cash, and would start with a balance of zero.
Yet donors who already gave the maximum amount to Biden under US campaign finance law would be allowed to contribute to a new nominee — which could allow a replacement other than Harris to more quickly fill their coffers.

BUSINESS

CORPORATE RESULTS

GM beats quarterly expectations, raises forecast

General Motors reported second-quarter profit and revenue on Tuesday that beat Wall Street's expectations, and raised its annual profit forecast for a second time this year, buoyed by strong pricing and demand for gas-powered trucks.

The company's shares plunged more than 6%, however.

The selloff could be related to a number of factors, analysts said, including a shift in the company's Cruise self-driving vehicle strategy, its continued losses in China and a broader concern that the auto industry will become less disciplined on inventory levels and buyer incentives.

"We believe this is just a knee-jerk reaction and the GM quarter was a robust one which should drive the stock higher over the coming weeks and months," said Dan Ives, analyst at Wedbush Securities.

The Michigan automaker is leaning heavily on its gasoline-engine offerings to fuel its profits through a slower-than-anticipated transition to electric vehicles.

GM executives say the company has laid the foundation necessary to meet ambitious ramp-up targets on EVs.

"We're encouraged by the early results we're seeing in EVs now that we can build at scale," CFO Paul Jacobson said in a call with reporters.

A report from the Federal Reserve last week showed motor-vehicle production surged to a nine-year high in June.

GM increased its adjusted pre-tax profit projection for the year to $13bn to $15bn, from its previous range of $12.5bn to $14.5bn.

The company reported adjusted earnings per share of $3.06 that beat Wall Street's average estimate of $2.75, according to LSEG data. The carmaker reported $48bn in revenue for the three-month period, surpassing analysts' consensus of $45.5bn in the June quarter. Executives at GM also provided an update on its Cruise self-driving unit, saying it will focus its development efforts on a next-generation Chevrolet Bolt rather than its planned futuristic Origin vehicle that would not have a steering wheel or other human controls.

GM's stock has outperformed its rivals and the S&P 500 in 2024. The company's share price has increased 38% this year as of Monday, while cross-town rival Ford Motor has notched an 18% increase, and Jeep-maker Stellantis lost 11%.

GM received another cash boost from the US government this summer to support its EV ambitions, although it has walked back many of its targets during the last year. The Biden administration said this month that it would award GM $500mn to convert one of its Michigan gas-engine vehicle-assembly plants to produce EVs. GM last week declined to reiterate a target of achieving 1mn units of EV production capacity in North America by the end of 2025.

The carmaker also recently lowered its projected EV output for the year, now projecting the higher end of its 2024 production to be 250,000 units, down from a prior forecast of 300,000 units.

CEO Mary Barra told investors that GM would delay the opening of its Orion Assembly EV truck plant by six months, until mid-2026.

Still, GM executives said the company is scaling up production of the Chevrolet Equinox EV and plans to launch several new battery-powered models over the coming months.

GM reported a 14% increase in net income over the year-ago period to $2.9bn. Although the Detroit automaker has kept its sights set on transitioning its lineup to EVs, Barra has said it plans to introduce plug-in hybrids in 2027. Ford is currently benefiting from significant increases in hybrid sales.

Ford is set to release its second-quarter results Wednesday.

The outcome of the US presidential election in November will also likely affect GM's plans for battery-powered vehicles. Former President Donald Trump has criticized President Joe Biden's approach on EVs, which have included significant government subsidies.

Spotify

Spotify posted a record quarterly profit slightly ahead of analyst expectations on Tuesday, pushing its shares up more than 14% in premarket trading.

The Swedish audio-streaming giant sought to reduce costs through layoffs and cuts to its marketing budget last year, while trying to grow its user base through promotions and new investments in podcasts.

In the second quarter of 2024, the number of paying Spotify subscribers rose to 246mn, slightly above expectations.

"It really comes down to the number of subscription offerings we have now. We're moving from one-size-fits-all to having something for everyone," CEO Daniel Ek said in an interview with Reuters, citing the company's various plans for students and shared households.

Profit rose 45% from a year earlier to €1.11bn ($1.21bn), slightly above analysts' expectations for €1.07bn. Earnings per share of €1.33 also beat estimates of €1.06, according to IBES data from LSEG. Revenue rose 20% to €3.81bn for the second quarter of 2024, fractionally below analysts' estimates of €3.82bn. The company did fall short of its own target for monthly active users (MAUs). Spotify previously said it aimed to reach 631mn monthly active users (MAUs), but only reached 626mn for the quarter.

"In a nutshell, it was a very good quarter for them," said Simon Dyson, an analyst at Omdia, a consultancy firm which focuses on media, telecoms and communications.

"They did miss their MAU, but within their guidance they are still confident that number will go up, and if they stay on track we'll all forget about them missing it this quarter."

Galp Energia

Portugal's Galp Energia reported on Monday a 16% rise in second-quarter net profit, beating expectations as higher oil prices and lower production costs offset reduced output and the refining margin held steady.

The company also confirmed ongoing preparations for a second drilling phase of four wells in Namibia's Mopane field, where it has an 80% stake, starting in the fourth quarter. It said it was in preliminary talks with possible partners.

Galp shares, up more than 40% so far this year, rose more than 1%.

It booked an adjusted net profit of €299mn ($325.34mn), above the €236mn expected by 18 analysts polled by the company.

Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) fell 7% to €849mn, compared with the €821mn consensus.

Ryanair

Ryanair's profits slumped by almost half in the three months to the end of June as ticket prices plunged 15% from the same period last year, heightening fears of a weak summer for Europe's airlines as the post-Covid boom peters out.

"The trend is downwards and weaker," Ryanair Chief Executive Michael O'Leary told investors in an analyst call after the results on Monday.

After-tax profit for the three months to the end of June, the first quarter of Ryanair's financial year, was €360mn ($392mn), down 46% on the same period last year and well below the €538mn profit forecast in a company poll of analysts.

O'Leary said it was far too early to forecast the outlook for the year, but said there was no sign of an end to the weakness.

"It could well be a double-digit (percentage) decline in pricing in Q2," he said, referring to the July-September quarter. "And at that stage... all bets are off in Q3 and Q4." O'Leary, who in May had forecast fares "flat to modestly up" for the summer, said the best case for July-September was now falls of 5%.

Ryanair makes significant profit from high last-minute fares, but O'Leary said every time in recent weeks that it removed lower-priced fares for last-minute tickets, the remaining higher-priced tickets failed to sell.

"We are repeatedly seeing price resistance," he said, adding that the airline planned to "aggressively" advertise low fares.

Chief Financial Officer Neil Sorahan put the weakness down to consumers being "a little bit more frugal, a bit more cautious" and a "rebalancing" after two years of double-digit growth in fares.

Asked when the weakness might end, Sorahan said: "Who knows?"

Liberum analyst Gerald Khoo said he expected significant downside risk to consensus estimates for Ryanair's full-year profit as a result of the results.

"More aggressive pricing by the market leader is likely to result in adverse fallout for the other European airlines," Khoo said in a note.

'Rowad' Qatar Entrepreneurship Conference 2024 hosts 3rd Arab SME Summit

Qatar Development Bank (QDB) signed yesterday a memorandum of understanding with the UN Economic and Social Commission for Western Asia (ESCWA) to promote and support SMEs in Qatar and the Arab region.

In line with the agreement, QDB will host the 3rd Arab SME Summit within the framework of the 10th edition of 'Rowad' Qatar Entrepreneurship Conference 2024, which will be held from November 17-19 at the Doha Exhibition and Convention Centre (DECC) under the theme 'Navigating Digital Horizons'.

The Arab SME Summit represents a leading interactive platform for entrepreneurs across the Arab region. The summit's first and second editions attracted over 2,000 participants, bringing together entrepreneurs, investors and representatives of media entities as well as regional and international organisations with a focus on sustainable development.

The summit familiarises participants with leading business models in Arab markets, sheds light on inspiring success stories, and facilitates collaboration and joint action to promote investment opportunities and collaboration among Arab policymakers and experts.

The summit's upcoming edition is expected to attract more than 1,300 participants from various countries and industries, inspiring entrepreneurs across the region to excel. The summit's agenda features various events that bring together decision-makers and policymakers to discuss empowering SMEs and fostering the Arab world's entrepreneurship environment to advance sustainable development.

Discussions will focus on the opportunities and challenges presented by the digital era, including digital business transformation, technological innovation, and regional co-operation to strengthen the digital economy.

QDB CEO Abdulrahman Hesham al-Sowaidi said the bank's new partnership with ESCWA reflects its commitment to pioneering action and collaboration to bolster Qatar's economy and support the development of the local entrepreneurship ecosystem.

QDB CEO Abdulrahman Hesham al-Sowaidi and ESCWA executive secretary Rola Dashti during the signing ceremony.

"We are proud that Doha is hosting the third Arab SME Summit after Amman and Marrakesh hosted the previous two editions. We are pleased that the event will take place within the framework of the 10th edition of 'Rowad' Qatar Entrepreneurship Conference 2024, which makes this year's edition the largest of its kind to date.

"We believe such events are key to supporting Arab economies and empowering leading entrepreneurs across the region. At Qatar Development Bank, we remain committed to spearheading leading initiatives to support SMEs and foster their contribution to sustainable economic growth."

ESCWA executive secretary Rola Dashti said: "We are confident that this partnership will open new horizons to promote entrepreneurship across the region. We look forward to working together to promote innovation, create jobs, and stimulate inclusive economic growth."

She added: "The Arab SME Summit is distinguished by the participation of an elite group of innovators, entrepreneurs, SMEs, policymakers and leaders from various industries and Arab countries.

"Holding the summit within the framework of the Rowad Conference is considered an exceptional opportunity to organise an unprecedented edition in terms of participants, partners and investors in the Arab entrepreneurship ecosystem."

QDB's collaboration with ESCWA aims to support SMEs through knowledge exchange and capacity building, with a focus on innovation and sustainability.

This year marks a new milestone in the Rowad Conference journey, which kicked off locally before expanding regionally to Gulf Co-operation Council countries. Last year's event hosted the third edition of the GCC Entrepreneurship Forum and the Rowad GCC Hackathon, the first of its kind in the region, along with the fourth edition of the Rowad Awards that celebrate Qatari firms with outstanding performance.

The 'Rowad' Qatar Entrepreneurship Conference aims to celebrate the achievements of entrepreneurs in Qatar, empower startups and SMEs and bolster their growth opportunities.

Annually, the conference will bring together leading players from Qatar's entrepreneurship ecosystem along with their regional peers for the opportunity to exchange knowledge and share valuable insights on investment prospects across the Arab world.

Dr Muna al-Marzouqi, QICDRC judge.

Climate change and AI to shape international courts' judgements: QICDRC judge

By Santhosh V Perumal
Business Reporter

Climate change and artificial intelligence (AI) are the two critical issues, which are likely to shape the outcome of judgements of global courts, according to a judge of Qatar International Court and Dispute Resolution Centre (QICDRC).

"These two subjects are not simply national challenges. They also have international dimensions, which require a collective and somewhat unified response from courts worldwide," Dr Muna al-Marzouqi, a judge of the QICDRC, said in an article that featured in the LexisNexisME newsletter regarding the fifth full meeting of SIFoCC (Standing Forum of International Commercial Courts).

In order to address climate change, she said there was a need for co-ordinated legal framework, which would effectively mitigate its impacts.

The use of AI in a legal context also raises important ethical and legal considerations that demand global standards and co-operation, said al-Marzouqi, who is also associate vice president for Academic Planning and Quality Assurance, Qatar University.

"I expect the QICDRC, along with other international courts, will increasingly look to tackle these issues in order to better serve our planet and uphold the integrity of legal system," according to her.

The judge said QICDRC is also constantly developing its rules and procedures to make these relationships better among commercial courts, mediation and arbitration.

Recalling the recently held meeting of the SIFoCC in Doha, she said it highlighted the way in which judicial bodies can help to encourage alternative dispute resolution (ADR) methods, which are often more efficient and effective than traditional litigation.

ADR methods offer parties the flexibility to resolve disputes in a less adversarial and more cost-effective way, according to al-Marzouqi.

"These methods can also significantly reduce the burden of courts, speed up the resolution process, and provide outcomes which are satisfactory for the parties involved," she said.

However, it was not just a one sided approach, she said, adding there were also best practices and approaches that the QICDRC has been taking and these included the role of the registry and the work it has done on the Maroon Book, which is the first comprehensive review of proceedings before a court in its jurisdiction.

"There was also interest in the way we have used automation to support case filing and case management procedures. Automation now plays a crucial part in supporting parties who are filing submissions, minimising errors and helping to manage time effectively," al-Marzouqi said. This transformation has also supported QIDCRC's broader goal of enhancing access to justice and improving the overall effectiveness of the judicial system, according to her.

Fitch affirms QIIB's rating at 'A' with stable outlook

International credit rating agency Fitch has affirmed QIIB's rating at 'A' with a stable outlook, which "indicates the strength of the bank's indicators and its solid financial position."

Explaining the rationale behind affirmation of QIIB rating, Fitch noted: "QIIB's rating reflects its established, Islamic-banking franchise in Qatar, high financing concentrations and adequate core capitalisation. It also reflects the bank's reasonable asset quality, solid profitability and stable funding and liquidity with a lower reliance on non-resident funding than its peers."

The Fitch report explained: "The operating conditions are good in the bank, as the special reserve coverage reached 95% at the end of the first quarter of 2024 and is considered one of the distinguished ratios compared to its local banking counterparts."

Fitch expects QIIB's asset quality to remain stable and that the bank will maintain strong profitability with operating efficiency.

In addition, QIIB is expected to continue to maintain stable financing primarily derived from customer deposits, which is a strength of the bank compared to its local counterparts.

Concentration in the QIIB deposit base is lower than local peers' due to a high portion of retail deposits, Fitch said and noted reliance on external funding is also lower than peers' in the local banking sector.

QIIB chairman Sheikh Dr Khalid bin Thani bin Abdullah al-Thani.

QIIB CEO Dr Abdulbasit Ahmad al-Shaibei.

Fitch also indicated that QIIB's rating at 'A' with a stable outlook has been based on a solid foundation of potential support from the government if necessary, with the government's ability to do so, especially since the sovereign rating of the State of Qatar is at 'AA' with a stable outlook.

QIIB chairman Sheikh Dr Khalid bin Thani bin Abdullah said: "This rating once again proves the leadership enjoyed by QIIB in the local banking sector, and its ability to achieve steady growth, enhance its various indicators, and improve various operating conditions.

"Fitch's rating of the bank at a high level with a stable outlook is confirmation of the strength of our financial position and the merit of our distinguished performance. We have always stressed that we owe the strength of our position and the stability of our indicators to the solid position of the Qatari economy, which provides comprehensive support to various sectors. The local economy provides rich opportunities that facilitate growth and help us achieve a distinguished financial position." Sheikh Dr Khalid added: "The bank will continue to work to keep pace with the best standards approved in the banking sector, with focus on innovation and a keenness to provide value addition to Islamic banking. This is what we have been doing since the founding of our bank, which is now enjoying a prestigious position, locally and internationally."

QIIB CEO Dr Abdulbasit Ahmad al-Shaibei noted: "We are very happy with every progress we have achieved and every achievement recognised by prestigious international institutions such as Fitch.

And this rating is an acknowledgment that we are moving forward in the right path, and that we have been able to face various challenges and turn them into opportunities."

Dr al-Shaibei continued: "We are grateful to the wise policies being pursued and directives issued by the Qatar Central Bank, which contributes to the stability and reliability of the Qatari banking sector."

The CEO stressed: "QIIB will continue implementing the strategy set by our Board of Directors, be it short or long term, which lays strong emphasis on the local market, while implementing a wise policy in relation to risk management.

"The strides we have made in respect of digital transformation have facilitated innovation and ensured customer satisfaction.

We continue to provide our customers with state-of-the-art and highly efficient banking products and services."

GCC banks show 'strong appetite' for expansion

By Santhosh V Perumal
Business Reporter

The Gulf Co-operation Council (GCC) banks are showing a "strong appetite" to grow their presence in major regional markets, particularly Turkiye, Egypt and India; buoyed by improving economic conditions and better growth prospects, according to Fitch, an international credit rating agency.

"Several GCC banks are reportedly looking to acquire banks in Turkiye, Egypt and India," Fitch said in its latest report.

The rating agency believes that external growth is part of some GCC banks' strategy to diversify business models and improve profitability. "By deploying capital into high-growth markets, they may be able to compensate for weaker growth in their home markets," it said.

Turkiye, Egypt and India each have much larger populations than the GCC, and greater potential for bank sector growth given their strong real GDP (gross domestic product) growth prospects and smaller banking systems relative to their economies, according to Fitch.

Their banking system assets/GDP ratios are below 100%, compared with over 200% in the largest GCC markets, and private credit/GDP was only 27% in Egypt, 43% in Turkiye and 60% in India in 2023. The GCC banks' main exposure outside the Gulf region is through subsidiaries in Turkiye and Egypt, where they had about $150bn of assets at the end of first quarter (Q1)-2024.

While these markets are the main focus for growth, there is increasing interest in India, particularly from banks from the UAE, which has strong and growing financial and trade links with India, it said. The GCC banks' appetite to expand in Turkiye has increased since the country's macroeconomic policy shift following last year's presidential election, which has reduced external financing pressures and macro and financial stability risks and recently led Fitch to revise its Turkish banking sector outlook to 'improving'.

Fitch forecasts Turkish inflation to decrease to an average of 23% in 2025 from 65% in 2023, and the GCC banks will probably stop using hyperinflation reporting for their Turkish subsidiaries from 2027. Together with greater Turkish lira stability, this could improve GCC banks' returns on their Turkish operations. Highlighting that interest from the GCC banks in Egypt is also gaining momentum; it said "we believe this is driven by Egypt's improved macroeconomic environment, opportunities offered by the authorities' privatisation programme, and the expansion of some GCC corporates in the country." Fitch recently revised the outlook on its 'b-' operating environment score for Egyptian banks to positive, reflecting its expectations of improved macro stability due to Egypt's large FDI deal with the UAE, an enhanced International Monetary Fund deal, increased foreign-exchange (FX) rate flexibility and greater commitment to structural reforms.

"We expect the significant improvement in the Egyptian banking sector's net foreign assets position this year to be sustained by strong portfolio inflows, remittances and tourism receipts," Fitch said, forecasting inflation to fall to 12.3% in June 2025 from 27.5% in June 2024, which could lead to policy interest rate cuts from the fourth quarter of 2024.

The Egyptian banking market has high barriers to entry, but GCC banks may have opportunities to acquire stakes in three banks through the authorities' privatisation programme. The expansion of GCC corporates in Egypt, particularly of UAE firms, could also support increased GCC bank presence, according to the report.

"The increasing cost of acquiring banks in Turkiye, Egypt and India could weigh on GCC banks' acquisition plans. Price-to-book multiples have increased since last year, particularly in Turkiye and India, reflecting improved macroeconomic prospects and decreased operating environment risks," it said.

Ooredoo Qatar announces Apple Business Manager integration on all devices

Ooredoo Qatar has announced that Apple Business Manager (ABM) will be available on all Apple devices sold by the company. This move will offer business customers simple and seamless access to the service, helping them to manage and deploy their fleet of Apple devices.

Apple Business Manager is a robust, web-based portal that allows organisations to efficiently control and manage their Apple devices and software. It facilitates device purchasing, deployment, configuration, and content distribution through an integrated mobile device management solution. The availability of Apple Business Manager through Ooredoo marks a significant enhancement for business customers. They can now leverage this comprehensive solution to streamline device management processes, supporting larger-scale deployments across organisations of all sizes.

This announcement underscores Ooredoo's unwavering dedication to innovative solutions that enrich customer experiences and drive the modernisation of the business sector in Qatar. Business customers can now benefit from a comprehensive, time- and cost-saving service for their device management needs, reinforcing Ooredoo's position as the 'Best for Business'.

GWC posts half-yearly net profit of QR100.4mn

Gulf Warehousing Company (GWC) has earned total revenues of QR748.3mn and a net profit of QR100.4mn in the first half (H1) of the year.
Earnings per share stood at QR0.171 for the same period, the company announced yesterday.
GWC chairman Sheikh Mohamed bin Hamad bin Jassim bin Jaber al-Thani said: "The financial results for the first half of this year underscore the strength of GWC's financial position and its ability to maximise profits. The company is actively implementing a strategic plan to improve its performance and solidify its position as the leading provider of logistics and supply chain solutions in Qatar. "GWC aims at increasing shareholder value and providing a comprehensive range of high-quality logistics solutions and services, while continuing to achieve further milestones".
GWC managing director Sheikh Abdullah bin Fahad bin Jassim bin Jaber al-Thani said: "In terms of international operations, GWC actively expands its presence in regional and global markets through global network and subsidiaries. This strategy positions us to seize new opportunities, strengthen our market position, and diversify revenue streams by offering specialised and integrated supply chain and logistics services to clients in various industries.
"Additionally, the company is seeking new arenas to enter as part of its business diversification strategies, allowing for new, well-studied business opportunities to be a part of its revenue streams".
GWC Group CEO Ranjeev Menon said: "We seek to expand into new sectors and markets, build long-term relationships with partners, develop human capital, while focusing on innovation, sustainability, and digital transformation. We are also committed to effectively managing our investment portfolio to solidify our leadership in integrated supply chain solutions.
"As the largest private sector developer of logistics hubs in the region, GWC has constructed over 4mn square meters of world-class logistics infrastructure. These hubs serve both local and international clients across various sectors, including aviation, telecommunications, fine art, and records, on a 3PL and 4PL basis. We continually bid on new projects and management agreements, with specialised hubs catering to vital industries like oil and gas in Ras Laffan and Messaieed industrial cities".


GWC chairman Sheikh Mohamed bin Hamad bin Jassim bin Jaber al-Thani.


GWC managing director Sheikh Abdullah bin Fahad bin Jassim bin Jaber al-Thani.


GWC Group CEO Ranjeev Menon.

GWC headquarters in Doha.

The launch of GWC Energy, a wholly owned subsidiary of GWC Group, represents a pivotal step in leveraging growth opportunities in the energy sector, especially with the ongoing North Field Expansion Project, the largest gas project under construction in the world. Moreover, the launch of Al Wukair Logistics Park's second phase is a key milestone in the company's strategy to enhance performance and support micro, small, and medium-sized enterprises.
This initiative aligns with Qatar National Vision 2030, stimulates economic growth, and fosters entrepreneurship and growth opportunities for start-ups.
GWC remains at the forefront as the premier provider of warehousing and distribution solutions across diverse industries. The company's comprehensive services cater to entrepreneurs, MSMEs, and MNCs, as it manages billions of customer documents throughout their lifecycle in advanced storage facilities, provides land, air, and sea freight services, along with customs clearance, project logistics, and international moving and relocations.
Additionally, GWC manages the State of Qatar's largest fleet, boasting over 1,600 trucks, trailers, and specialized vehicles, while also providing marine services, facilitated through established subsidiaries, include shipping agency services, liner representation, port agency services, cruise ship hosting, and husbandry services.
As the Authorised Service Contractor (ASC) for UPS in Qatar, GWC strategically expands the courier giant's market share through the utilisation of its logistics infrastructure.

Baladna H1-2024 net profit surges 137% year-on-year to QR100.4mn

Baladna, the leading dairy and juice company in Qatar, has reported a 137% year-on-year jump in net profit to QR100.4mn, equating to a net profit margin of 17% in the first half (H1) of 2024.

The revenues shot up 15% to QR594.7mn in H1-2024, primarily driven by increased sales volumes across all channels, favourable market conditions observed during the period and continued market share gains, it said, adding the overall market share improved to 54.1% in H1-2024 compared to 52.5% the year-ago period

The revenues shot up 15% to QR594.7mn in H1-2024, primarily driven by increased sales volumes across all channels, favourable market conditions observed during the period and continued market share gains, it said, adding the overall market share improved to 54.1% in H1-2024 compared to 52.5% the year-ago period.
The record-breaking growth in net profit, according to Baladna, was attributed to higher sales volumes across HORECA (hotel, restaurant, and café/catering) and retail channels by expanding market share in key product categories, operational efficiency across the entire value chain, reduction in finance cost through effective negotiations and strategic and efficient cost controls measure. Baladna is strategically enhancing its product portfolio while actively exploring opportunities for innovation and introducing new offerings. It has entered the high protein milk market and successfully expanded Greek Yogurt portfolio as the key developments in the first half of the year.
The company has relaunched its juice portfolio with a refreshed appearance and new flavours aiming to enhance the consumer experience.
Furthermore, the "Awafi" product range has been revitalised and refreshed with a distinct brand proposition of 'Every Day Value, Every Day Quality', featuring a new packaging identity across the entire portfolio. These initiatives demonstrate Baladna's dedication to delivering high-quality products, meeting changing consumer preferences, and making a meaningful contribution to food security of the country.

Baladna is strategically enhancing its product portfolio while actively exploring opportunities for innovation and introducing new offerings. It has entered the high protein milk market and successfully expanded Greek Yogurt portfolio as the key developments in the first half of the year

Regarding the Algeria project, it is advancing according to the plan, Baladna said, adding groundbreaking activities are expected to commence in the near future.
The project will be considered as the largest integrated dairy farming and production facility in the world and aims to meet 50% of Algeria's national demand for powder milk. The expected investment is around $3.5bn with a capacity of producing 1.7bn litres of milk per year.
Planned herd size is around 272,000 covering 117,000 hectares of land comprising with arable farming, dairy and beef farming and powder milk manufacturing facility. This project aims to generate significant shareholder value and marking a crucial milestone in Baladna's global growth strategy.
Driven by a steadfast commitment to operational efficiency and rigorous cost controls, Baladna's management remains focused on strengthening Qatar's food security and self-sufficiency, it said, adding Baladna is dedicated to delivering value to its shareholders through superior product offerings, expanding its product portfolio, and optimising efficiency across its entire value chain.

Vodafone Qatar reports 12.8% increase in half-yearly net profit and 2.8% growth in service revenue

Vodafone Qatar reported a half-yearly net profit of QR293mn, representing a 12.8% year-on-year (y-o-y) increase, mainly driven by higher EBITDA.
Total revenue increased by 2.2% y-o-y reaching QR1.59bn, driven by a 2.8% growth in service revenue, which stood at QR1.41bn. This increase is attributed to the continued growth in the company's fixed broadband services (GigaHome), mobility, wholesale, and Internet of Things (IoT). Vodafone Qatar is now serving 2.1mn mobile customers.
EBITDA for the period increased by 5.9% y-o-y to QR672mn primarily driven by higher service revenue and the continued effectiveness in implementing the company's cost optimisation programme. As a result, EBITDA margin improved by 1.5ppts reaching 42.4%. Consequently, the net profit margin rose by 1.7ppts y-o-y to 18.5%.
Lastly, Vodafone Qatar achieved a return on capital employed (ROCE) of 11.3% in H1 2024 (annualised), reflecting a 0.7ppts increase compared to FY 2023.
This is the result of successfully allocating capital to existing and new areas to diversify revenue and accelerate profitable growth.

Buying interests in realty, telecom and transport lift sentiments in QSE

By Santhosh V Perumal
Business Reporter


The foreign institutions continued to be net buyers but with lesser intensity as the 20-stock Qatar Index rose about 20 points or 0.2% to 10,140.42 points, recovering from an intraday low of 10,123 points

A higher than average demand, especially in the real estate, telecom and transport counters, led the Qatar Stock Exchange (QSE) continue in the positive trajectory for the second straight session.
The foreign institutions continued to be net buyers but with lesser intensity as the 20-stock Qatar Index rose about 20 points or 0.2% to 10,140.42 points, recovering from an intraday low of 10,123 points.
The Gulf institutions' weakened net profit booking had its influence in the main market, whose year-to-date losses truncated further to 6.37%.
As much as 50% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR0.89bn or 0.15% to QR586.25bn on the back of microcap segments.
The foreign individuals' lower net selling had its say in the main market, which saw as many as 3,000 exchange traded funds (sponsored by Masraf Al Rayan), valued at QR0.07mn change hands across one transaction.
The local retail investors' bearish grip was seen slackening in the main bourse, which saw no trading of treasury bills.
However, the domestic funds were increasingly net profit takers in the main market, which saw no trading of sovereign bonds. The Islamic index was seen gaining slower than the main barometer in the main bourse, whose trade turnover fell amidst higher volumes.
The Total Return Index gained 0.19%, the All Islamic Index by 0.17% and the All Share Index by 0.16% in the main market.
The real estate sector index rose 0.36%, telecom (0.34%), transport (0.22%), industrials (0.22%), industrials (0.2%) and banks and financial services (0.19%); while insurance declined 0.53% and consumer goods and services 0.21%.
Major gainers in the main market included Mekdam Holding, Alijarah Holding, QLM, Qatar Industrial Manufacturing and Qatar Electricity and Water. In the venture market, both Al Mahhar Holding and Techno Q saw their shares appreciate in value. Nevertheless, Medicare Group, Dlala, Al Faleh Educational Holding, Zad Holding and Widam Food were among the shakers in the main bourse. The Qatari individual investors' net selling declined markedly to QR24.58mn compared to QR27.34mn on July 22.
The foreign retail investors' net profit booking shrank noticeably to QR0.63mn against QR8.6mn the previous day.
The Gulf institutions' net selling weakened significantly to QR1.97mn compared to QR7.53mn on Monday. However, the domestic institutions' net profit booking expanded considerably to QR23.66mn against QR13.54mn on July 22.
The Gulf retail investors turned net sellers to the tune of QR1.34mn compared with net buyers of QR0.49mn the previous day.
The Arab individuals were net profit takers to the extent of QR0.35mn against net buyers of QR1.95mn on Monday.
The foreign institutions' net buying eased marginally to QR52.53mn compared to QR54.59mn on July 22.
The Arab institutions continued to have no major net exposure for the seventh straight session.
Trade volumes in the main market soared 20% to 118.67mn shares, while value shrank 5% to QR290.66mn and transactions by 1% to 12,826. The venture market saw about 16-fold jump in trade volumes to 0.62mn equities and value by more than 13-fold to QR1.18mn on more than tripled deals to 53.