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GTA partners with MoCI on workshop for sweetened beverage producers

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Foreign funds lift QSE sentiments as index surpasses 10,600 level

Banking sector assets reach QR2tn for first time in August: QNBFS

By Pratap John
Business Editor

The Qatar banking sector's total assets reached QR2tn for the first time in August, driven by domestic assets, QNB Financial Services said in its 'Qatar Monthly Key Banking Indicators.'

According to QNBFS, total assets of banks increased by 0.7% during August to reach QR2.002tn. The total rise in August was mainly due to a gain by 1% in domestic assets.

Total assets were up by 1.7% in 2024, compared to a growth of 3.4% in 2023. Assets grew by an average 6.8% over the past five years (2019-2023)

Liquid assets to total assets edged down to 29.7% in August this year, compared to 29.9% in July, QNBFS noted.

Deposits with banks were higher by 0.3% during August to reach QR1,035.2bn. The deposits rise was mainly due to an increase by 1.9% in public sector deposits.

Deposits increased 5% in 2024, compared to a decline by 1.3% in 2023. Deposits grew by an average 4.1% over the past five years (2019-2023), QNBFS said.

In terms of credit facilities extended by commercial banks, QNBFS said loans went up by 0.5% during August to reach QR1,342.9bn.

The loans gain in August was mainly due to a rise by 0.4% in the private sector and 0.5% in the public sector. Loans moved up by 4.3% in 2024, compared to a growth of 2.5% in 2023. Loans grew by an average 6.5% over the past five years (2019-2023).

Loan provisions to gross loans stood at 4%, both in July and August this year, according to QNBFS.

The Loans to deposits ratio went up to 129.7% in August. Loans went up by 0.5% in August to reach QR1,342.9bn, while deposits moved up 0.3% that month to reach QR1,035.2bn.

The overall loan book was higher by 0.5% in August, driven mainly by private sector loans. Total private sector loans increased by 0.4% m-o-m (+2.8% in 2024) during August.

The real estate sector continued to be the main driver for the private sector loans in August 2024. The segment (contributes 21% to private sector loans) rose by 2.1% m-o-m (+8.5% in 2024), while consumption and others (contributes 20% to private sector loans) moved up by 0.7% m-o-m (-2.6% in 2024).

However, general trade (contributes 21% to private sector loans) edged down by 0.2% m-o-m (+3.3% in 2024) and services (contributes 32% to private sector loans) was marginally down m-o-m (+3.6% in 2024) in August.

Total public sector loans gained 0.5% m-o-m (+6.3% in 2024) in August. The government segment (represents 29% of public sector loans) was the main driver for the public sector with an increase of 1.7% m-o-m (+7.7% in 2024), while the semi-government institutions segment went up by 2.6% m-o-m (-6.1% in 2024).

However, the government institutions' segment (represents 65% of public sector loans) edged slightly lower by 0.1% m-o-m (+6.9% in 2024) in August, QNBFS said.

Outside Qatar loans increased by 1% m-o-m (+13.6% in 2024) in August.

Public sector deposits moved up by 1.9% m-o-m (+8.9% in 2024) in August.

Looking at segment details, the government segment (represents 34% of public sector deposits) shot up by 7.1% m-o-m (+31.1% in 2024), while the government institutions' segment (represents 55% of public sector deposits) went up by 1% m-o-m (+6.5% in 2024).

However, the semi-government institutions' segment dropped by 7.8% m-o-m (-23% in 2024) in August.

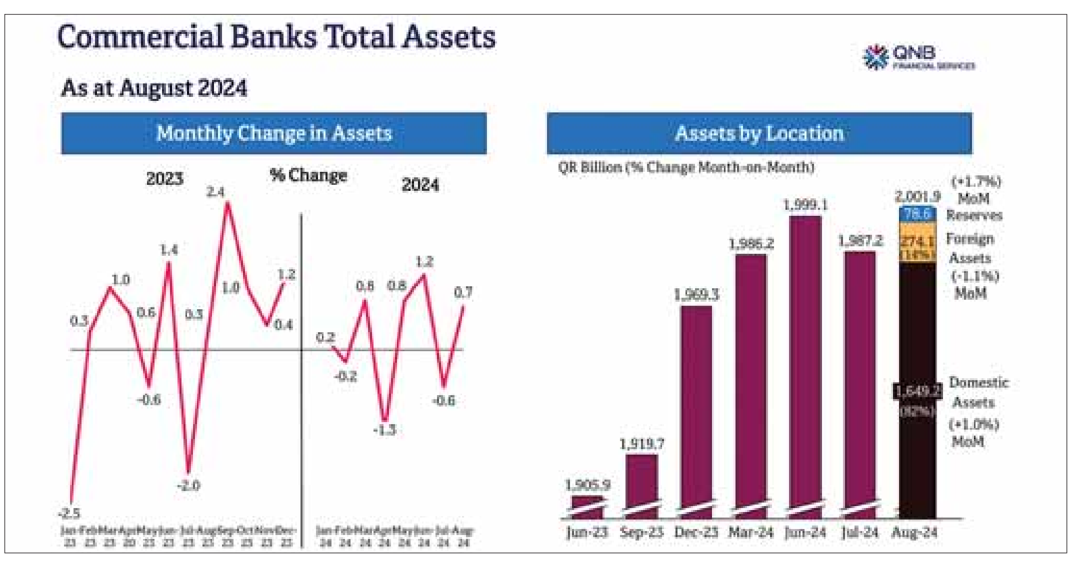
Private sector deposits was marginally lower by 0.1% m-o-m (+0.5% in 2024) in August.

On the private sector front, the companies and institutions' declined by 0.4% m-o-m (-5.9% in 2024). However, the consumer segment edged up by 0.2% m-o-m (+6.1% in 2024).

Non-resident deposits declined by 2.1% m-o-m (+9.1% in 2024) during August, the report said.

An Analyst told *Gulf Times*: "The key highlight for the month of August is the increase in total assets by 0.7%, reaching the QR2tn mark for the first time, as domestic assets drove the monthly rise. The 0.5% increase in the overall loan book came from a continued rapid increase by 2.1% from the real estate segment in the private sector and a 1.7% gain in the government segment from the public sector.

"Overall deposits were driven mainly by the surge in government deposits, which increased by 7.1% in August and showed a jump by 31.1% for the year 2024."



Al-Kuwari meets MSCI chairman

HE the Minister of Finance Ali bin Ahmed al-Kuwari met Henry Fernandez, Chairman and Chief Executive Officer of MSCI, in Doha yesterday. They discussed issues of common interest at the bilateral meeting.

UDC participates in International Business Property Forum in Russia

United Development Company (UDC), the master developer of The Pearl Island and Gewan Island, has concluded its participation in the 'VIII International Business Property Forum' in St Petersburg, Russia.

The event brought together leading companies in the investment, construction, and real estate sectors, offering a unique platform for international collaboration on large-scale development projects.

UDC's participation was aimed at fostering strategic partnerships with international companies and promoting investment opportunities in Qatar's thriving real estate market. The forum served as a valuable channel for building connections between the Russian business community and international partners, facilitating agreements and collaboration in the investment and construction sectors.

During the event, UDC delivered a presentation showcasing its flagship development projects at The Pearl Island and Gewan Island, featuring the highly anticipated Crystal Residence. These mixed-use destinations have become some of the most sought-after residential addresses in Qatar, celebrated for their visionary design, high-quality infrastructure, sustainable features, and prestigious waterfront living.

UDC also offers attractive in-house financing options, complemented by high-return investment opportunities and Qatari residency benefits for foreign investors. The presentation further underscored Qatar's foreign investment incentives and UDC's steadfast commitment to delivering premium, innovative developments that enhance the lifestyle experience in Qatar.

UDC has benefited from numerous networking opportunities with international and GCC companies, further strengthening its presence in global markets and enhancing its efforts to attract foreign investments to Qatar's real estate sector. This participation is part of UDC's broader strategy to engage with international markets and draw foreign investors to Qatar's flourishing real estate landscape.

UDC's active involvement in global forums and exhibitions, including its recent participation in the International Real Estate Expo (IREX) in Mumbai, the International Immigration & Property Expo in Hong Kong, 'A Place in the Sun Live' property exhibition in London, and MIPIM in Cannes, underscores its ongoing commitment to delivering premium real estate developments and positioning Qatar as a leading destination for international investment.

UDC's participation in the event was aimed at fostering strategic partnerships with international companies and promoting investment opportunities in Qatar's thriving real estate market

Baladna in QSE benchmark; Meeza and Medicare find place in Islamic index

By Santhosh V Perumal
Business Reporter

The rejig of the Qatar Stock Exchange (QSE)'s 20-stock QE Index will take effect from today, replacing Estithmar Holding with Baladna.

The other constituents of the main barometer are QNB, Qatar Islamic Bank, Industries Qatar, Masraf Al Rayan, Nakilat, Commercial Bank, QIIB, Ooredoo, Woqod, QIIB, Milaha, Qatar Electricity and Water, Mesaieed Petrochemical Holding, Dukhan Bank, Barwa, Gulf International Services, Doha Bank, United Development Company, Vodafone Qatar and Qamco.

Companies with a velocity less than 5% are excluded from the review, as are companies whereby a single shareholder can only own less than 1% of outstanding shares.

Medicare Group and Meeza have found place in the QE Al Rayan Islamic Index, while Qatari Investors Group have been removed from the index group, whose other constituents include Qatar Islamic Bank, Industries Qatar, Masraf Al Rayan, QIIB, Ooredoo, Woqod, Qatar Electricity and Water, Mesaieed Petrochemical Holding, Dukhan Bank, Barwa, United Development Company, Vodafone Qatar, Qamco, Al Meera, Qatar National Cement, Baladna, Estithmar Holding and Ezdan. Al Faleh Educational Holding will join the QE All Share Index as well as Consumer Goods and Services Index.

The All Share Index - which covers all listed stocks with share velocity greater than 1% - acts as an overall benchmark of the market, with over double the number of component stocks versus those included in the QE Index.

Under the new index practices, a review is carried out twice a year to ensure that the selection and weighting of the constituents continue to reflect the purpose of the index.

The indices are calculated as weighted average of the constituent prices; the weight depends on methodology but the majority of indices are weighted by market capitalisation and reviews take place on a regular basis to ensure selected stocks as well as their weightings are correctly representing the underlying market, according to the QSE.

All listed companies are ranked by giving free float market capitalisation with a 50% weight and average daily value traded also 50% weight. Companies with velocity less than 5% are excluded from the review, as are entities whereby a single shareholder can only own less than 1% of outstanding shares.

Any qualifying component exceeding 15% weight in the index as of market close September 26, 2024 will have its weight capped at the 15% level and excess weight allocated to remaining stocks proportionately.

The index free-float for a stock is total outstanding shares minus shares directly owned by government and its affiliates, those held by founders and board members and shareholdings above 10% or greater of the total outstanding (except those held by those held by pension funds in the country).

The bourse has seven sectors – banks and financial services (with 13 constituents), insurance (seven), industrials (10), real estate (four), telecom (two), transportation (three) and consumer goods and services (12) in the 'All Share Index'.

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Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari and Cyprus Chamber of Commerce and Industry president Stavros Stavrou during the meeting held in Doha.

Qatar, Cyprus chambers discuss strengthening co-operation

Officials of Qatar Chamber and the Cyprus Chamber of Commerce and Industry met yesterday to discuss ways to enhance bilateral relations and economic and commercial ties between Qatar and Cyprus. Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari and Cyprus Chamber of Commerce and Industry president Stavros Stavrou discussed strengthening communication between businessmen from both countries and establish joint ventures to increase bilateral trade volume. They also reviewed the possibility of signing a memorandum of understanding between the two chambers.

Al-Kuwari lauded the close relations between both countries and highlighted Qatar Chamber's keenness on strengthening co-operation and improving trade exchange, which he described as "still below expectations."

He noted that the chamber is ready to assist and support companies from Cyprus willing to invest in Qatar and vice-versa. He emphasised that Cyprus offers a wide range of opportunities across various sectors.

Similarly, Stavrou highlighted the strong relations between Qatar and Cyprus, noting that Qatar has experienced significant development in recent years. He said the delegation's visit aims to strengthen communication between businessmen from both sides to establish joint ventures either in Qatar or Cyprus.

GTA partners with MoCI on tax awareness workshop for sweetened beverage producers

As part of its ongoing commitment to raising tax awareness and addressing the tax and legal aspects of sweetened beverage production and marketing, the General Tax Authority (GTA), in partnership with the Ministry of Commerce and Industry, organised an introductory workshop for producers in the sector.

The workshop was attended by dignitaries including Khalifa bin Jassim al-Jaham al-Kuwari, President, General Tax Authority, and Saleh bin Majid al-Khulaifi, Assistant Undersecretary (Industrial Affairs and Business Development) at the MoCI.

The event was also attended by representatives from several sweetened beverage producers and manufacturers, alongside officials from the GTA and the MoCI.

During the workshop, Badar Mohammed al-Dosari, head of Medium and Small Taxpayers Section at the GTA, made a comprehensive presentation on "Excise tax for producers of sweetened beverages".

He explained the tax calculation process and outlined the legal obligations imposed on producers to ensure full compliance with tax regulations.

The workshop concluded with an open dialogue session, during which all participants' inquiries concerning excise tax on sweetened products were addressed, and further clarifications were provided on the regulatory aspects related to production and marketing.

The excise tax was imposed in January 2019 as part of the Gulf Co-operation Council (GCC) agreement concluded in November 2016.

In July 2019, the GCC agreed to extend the scope of the excise tax to include sweetened beverages.

This was part of the GCC's initiative to reduce the consumption of products harmful to public health, including sweetened beverages.

The workshop underscores the GTA's commitment to establishing a transparent tax environment and supporting producers in complying with excise tax regulations.

The workshop was attended by dignitaries including Khalifa bin Jassim al-Jaham al-Kuwari, President, General Tax Authority, and Saleh bin Majid al-Khulaifi, Assistant Undersecretary (Industrial Affairs and Business Development) at the MoCI.

Mena takaful seen as opportunity for retakaful players; reinsurers benefit from positive pricing

By Santhosh V Perumal
Business Reporter

The growing takaful in the Middle East and North Africa (Mena) is seen as an opportunity for the retakaful market as reinsurers domiciled in the region continued to benefit from positive pricing momentum over the recent renewal periods, albeit to a lesser extent than the global reinsurance market, according to A M Best, a global insurance rating agency.

"A shift in retakaful providers has been noted in recent years, with a growing proportion of capacity offered through branches and retakaful windows of conventional reinsurers," the rating agency said in its latest report.

Such arrangements can allow reinsurers to leverage from their existing conventional operations, creating efficient and lean models, while better serving policyholders through an expanded product offering, it said, adding this strategy avoids the many hurdles experienced by standalone retakaful operators who have failed to establish sustainable operating models in the region due to high capital requirements and lack of economies of scale.

Capital efficient models provide the ability to service the growing reinsurance demands of the takaful market, according to the report.

The insurance rating agency expects conventional reinsurance capacity to remain a key feature of retakaful panels going forward, albeit, the growing Mena takaful segment is viewed as an opportunity for the retakaful market.

"The reinsurance pricing environment in the region largely reflects the positive global reinsurance market response to rising claims inflation and the elevated frequency of both large losses and weather-related events," A M Best said.

Improving pricing, underwriting discipline and risk appetite have benefitted the market, though local economic factors have also contributed, it added.

Highlighting that several of the economies in the region are heavily reliant on revenues from the hydrocarbon sector, it said the sustained buoyant oil price environment, attributable to elevated political risk, supply concerns, and Opec+ production cuts, has had a substantial impact on the region's economies.

Insurance markets in the region are reliant on government spending — notably on infrastructure projects — for a sizeable share of premium growth, it said, adding these risks are typically heavily ceded by primary insurers to reinsurance partners and have thus far provided profitable underwriting opportunities for the region's reinsurers.

Nevertheless, greater volatility in performance may become a feature of the market as natural catastrophe losses become more frequent.

Achieving consistently strong underwriting returns has been a historical challenge for Mena reinsurers, but sustained hard market conditions favour the region's reinsurers, allowing companies to take advantage of global market price rises to re-price and review business.

"As a result, underwriting profitability and returns on equity have generally improved," the report said.

The Mena region's locally domiciled re-insurers lack both scale and diversification when compared with their international counterparts and their participation is often limited to being a follower on reinsurance programmes, which restricts their ability to influence pricing and terms.

As with other markets globally, the Mena region saw elevated, albeit reducing, levels of economic inflation across the region in 2023. In general, tight monetary policies have been effective at bringing down inflation across the region, with inflation close to historical averages in most countries.

Supply-side inflation is weighing on loss cost trends for the region's reinsurers over the near term, and as the inflationary environment develops, the region's reinsurers will need to effectively forecast inflation, it said, adding they will need to continue to adjust premium rates and reserves to ensure loss cost inflation is adequately covered in order to protect underwriting margins.

Foreign funds lift QSE sentiments as index surpasses 10,600 level

By Santhosh V Perumal
Business Reporter

The foreign institutions were seen increasingly bullish on the Qatar Stock Exchange, which yesterday gained more than 28 points to close above 10,600 levels.

The telecom, banking and insurance counters witnessed higher than average demand as the 20-stock Qatar Index rose 0.27% to 10,614.09 points, recovering from an intraday low of 10,576 points.

The domestic institutions were seen increasingly into net buying in the main market, whose year-to-date losses truncated further to 2%.

The Gulf individuals continued to be net buyers but with lesser intensity in the main bourse, whose capitalisation added QR1.89bn or 0.31% to QR620.08bn on the back of small and microcap segments.

The local retail investors were seen increasingly net profit takers in the main market, which saw 460 exchange traded funds (sponsored by Masraf Al Rayan) valued at QR1,033 trade across two deals.

The Islamic index was seen gaining slower than the other indices in the main bourse, whose trade turnover and volumes were on the increase.

The Arab individual investors turned bearish in the main market, which saw no trading of treasury bills.

The Gulf institutions were seen increasingly net sellers in the main bourse, which saw no trading of sovereign bonds.

The Total Return Index gained 0.27%, the All Islamic Index by 0.21% and the All Share Index by 0.3% in the main market.

The telecom sector index rose 0.7%, banks and financial services (0.59%), insurance (0.44%) and industrials (0.26%; while real estate declined 1.16%, transport (0.65%) and consumer goods and services (0.22%).

Major gainers in the main bourse included Al Meera, Mannai Corporation, Medicare Group, Qatar Islamic Bank, QLM, Industries Qatar, Vodafone Qatar and Ooredoo.

In the venture market, Al Mahhar Holding saw its shares appreciate in value.

Nevertheless, about 54% of the traded constituents were in the red with major losers being Qatar General Insurance and Reinsurance, Alijarah Holding, Barwa, Qatari Investors Group, Baladna, Commercial Bank, Lesha Bank, Aamal Company, Mesaieed Petrochemical Holding, Mazaya Qatar and Nakilat.

The foreign institutions' net buying increased substantially to QR46.26mn compared to QR8.94mn on September 29. The domestic institutions' net buying strengthened perceptibly to QR5.48mn against QR2.17mn the previous day.

The foreign individual investors' net selling declined marginally to QR1.54mn compared to QR1.93mn on Sunday.

However, the Qatari retail investors' net profit booking grew significantly to QR31.43mn against QR7.13mn on September 29.

The Arab individuals turned net sellers to the extent of QR10.1mn compared with net buyers of QR2.84mn the previous day.

The Gulf institutions' net profit booking expanded markedly to QR9.05mn against QR6.39mn on Sunday.

The Gulf retail investors' net buying shrank noticeably to QR0.39mn compared to QR1.5mn on September 29.

The Arab institutions had no major net exposure for the third straight session.

Trade volumes in the main market soared 33% to 225.8mn shares, value by 78% to QR597.06mn and transactions by 62% to 19,329.

In the venture market, trade volumes grew more than seven-fold to 0.22mn equities and value by more than five-fold to QR0.5mn but on 13% contraction in deals to 14.

The telecom, banking and insurance counters witnessed higher than average demand as the 20-stock Qatar Index rose 0.27% to 10,614.09 points, recovering from an intraday low of 10,576 points