



Qatar records robust double-digit growth in visitors in August



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# GULF TIMES BUSINESS



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## QNB unifies its brand in Egypt and Turkiye

■ Rebranding to see QNB Alahli in Egypt and QNB Finansbank in Turkiye operating under single name 'QNB'

QNB Group has announced a "significant strategic move" to unify its brand in Egypt and Turkiye.

The rebranding will see QNB Alahli in Egypt and QNB Finansbank in Turkiye operating under the single name 'QNB'.

This decision reflects the group's commitment to strengthening its global presence and providing a seamless banking experience to its customers. By unifying the brand, QNB, which is a leading financial institution in the Middle

East and Africa, aims to streamline its operations and enhance collaboration between its subsidiaries, solidifying its position as a leader in the banking sector.

QNB Group Chief Executive Officer Abdullah Mubarak al-Khalifa stated: "We are excited to unveil our unified brand identity in Egypt and Turkiye. This strategic step underscores our commitment to making our brand stronger and more organised, embedding it in the minds of our customers worldwide.

"By consolidating our operations under the QNB banner, we are better positioned to drive innovation, expand our reach, and deliver greater value to our shareholders.

"With this rebranding, QNB looks forward to continuing its success and growth in the coming years, maintaining its core values of integrity, excellence, and customer focus."

QNB Group currently ranks as the most valuable bank brand in the Middle East and Africa, with a brand value of \$8.4bn.

Through its subsidiaries and associate companies, the Group extends to some 28 countries across three continents providing a comprehensive range of advance products and services.

The total number of employees is 31,000 operating from approximately 900 locations, with an ATM network of more than 5,000 machines.



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Qatar hosted the Sixth Meeting of the Permanent Preparatory Committee at the Ministerial Level of the Economic and Development Affairs Authority of the Gulf Co-operation Council. HE the Minister of Finance Ali bin Ahmed al-Kuwari presided over the meeting, which took place in Doha and was attended by ministers concerned from the GCC countries.

## GCC-level meeting in Doha discusses economic integration in Gulf countries

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and was attended by ministers concerned from the GCC countries. In his opening speech, HE al-Kuwari stated that the meeting aimed to enhance economic and development co-operation and integration among the GCC countries. The meeting covered several topics, including the stages of

economic integration in the GCC countries, developments in building the 'Gulf Economic Model', and the roadmap for 'Economic Unity Projects'. Additionally, the report on negotiations regarding free trade and the Gulf Common Market was reviewed.

## Al-Kaabi meets Colombia's minister of foreign affairs



HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi met Luis Gilberto Murillo, Colombia's Minister of Foreign Affairs in Doha yesterday. Discussions during the meeting dealt with energy relations and co-operation between Qatar and Colombia and means to enhance them.

## Commercial Bank signs MoU with DHL Express Qatar to launch DHL4SMEs

Commercial Bank, a leader in innovative digital banking solutions in Qatar, signed a memorandum of understanding (MoU) with DHL Express Qatar, marking the launch of 'DHL4SMEs'.

As Qatar continues to witness the rise of entrepreneurship and e-commerce, DHL4SMEs is positioned as a resource for SMEs seeking comprehensive guidance across multiple aspects of their operations. Through this initiative, businesses will gain access to up-to-date information from industry leaders and experts, enabling them to stay informed and competitive.

The partnership between DHL Express and Commercial Bank reflects the shared vision of both institutions to nurture and empower entrepreneurs in the country by providing them with the tools and expertise to prosper in today's fast-evolving business environment.

Fahad Badar, Executive General Manager and Chief Wholesale and International Banking Officer at Commercial Bank, highlighted the strategic importance of the partnership, stating: "Our collaboration with



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DHL on the DHL4SMEs initiative is a powerful testament to Commercial Bank's commitment to accelerating Qatar's economic development. Our strategic focus on Enterprise Banking for our small and medium enterprise customers, is in line with the Qatar's National Vision 2030, which identifies SMEs as one of the key constituents of the country's economic diversification and future growth.

"By providing SMEs with cutting-edge resources, industry expertise, and tailored support, we are positioning them to overcome complex challenges and unlock new growth opportunities. This initiative goes beyond mere support – it acts as a transformative force, empowering entrepreneurs to innovate and thrive in an increasingly competitive global market."

Ahmed Elfangary, country manager,

DHL Express, said: "We are thrilled to welcome Commercial Bank as a valued partner in our DHL4SMEs program. This collaboration marks a significant step forward in our mission to empower small and medium-sized enterprises with the resources and knowledge they need to thrive in today's competitive market."

"By combining CB's financial expertise with our Program Partners knowl-

edge, we are creating a comprehensive support system that will help SMEs navigate their growth journey with confidence and efficiency. Together, we are committed to fostering innovation, driving economic growth, and supporting the success of SMEs across Qatar and the region."

Martin Ncube, assistant general manager and Head of Enterprise Banking at Commercial Bank, further emphasised

the impact of the collaboration, adding: "DHL4SMEs represents more than just logistics support; it's a comprehensive platform that brings together Commercial Bank's financial expertise and DHL Express' global reach. This partnership strengthens our ability to serve as a true business partner for SMEs, ensuring they have the resources and insights to navigate challenges and drive long-term growth."



### Invitation to the General Assembly Meeting

The Board of Directors of Baladna QPSC ("the Company") cordially invites the esteemed shareholders to attend its **General Assembly Meeting on Sunday 24/11/2024 at 5:00 pm**, the meeting will be held in person at Floor 35, The E18HTEEN Tower in Lusail City - Doha.

This meeting will be postponed to Thursday, 26/11/2024, same time, place, and mechanism if the first meeting quorum is not reached.

#### Meeting Agenda

1. Discharge the members of the Board of Directors from liability for the period from January 1, 2024, until the end of the Board's term.
2. Election of a Board of Directors for a three-year term starting from November, 2024, to November, 2027.

#### Notes:

- This invitation is considered a legal announcement to all shareholders, and this invitation was published on the company's website, the Qatar Stock Exchange website, and through publication in two daily newspapers, as per Companies Commercial Law No. 11 of 2015.
- We advise all shareholders to be present at the venue at least 1 hour before the meeting in order to finalize attendance registration procedures.
- In case the Shareholder is unable to attend in person, he/she may authorize another Shareholder to attend on his/her behalf in writing. The Proxy must be a Shareholder. The number of shares held by the shareholder as a proxy should not in all cases exceed 5% of total issued shares i.e., 95,050,000 shares. (to printout a copy of the proxy form, please visit Baladna's website <https://baladna.com/en>)
- It is prohibited to appoint more than one proxy. It is also prohibited to appoint a member of the Board of Directors as a proxy.
- In case a shareholder appoints a proxy, a duly signed proxy form along with a copy of the shareholder's ID must be presented.
- Companies' representatives are requested to present an authorization letter appointing them as representatives in the Meeting, in addition to the company's commercial registration and a copy of the authorized signatory who signed the authorization.
- Any scratch or deletion makes the proxy null and void.
- In case the quorum is not achieved, the meeting will be postponed till Tuesday, November 26, 2024, at the same time, place, and mechanism.

The Chairman  
**Mohamad Moutaz Al Khayyat**



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# Local retail investors drag QSE as index falls 16 points

By Santhosh V Perumal  
Business Reporter

The Qatar Stock Exchange yesterday opened the week weak with its key index losing as much as 16 points on selling pressure, especially at the banks and industrials counters.

The local retail investors hurriedly squared off their position as the 20-stock Qatar Index fell 0.15% to 10,493.3 points, although it touched an intraday high of 10,530 points.

The foreign individuals were increasingly net profit takers in the main market, whose year-to-date losses widened to 3.11%.

About 53% of the traded constituents were in the red in the main bourse, whose capitalisation however saw QR0.75bn or 0.12% gain to QR616.83bn on the back of microcap segments.

The foreign institutions were seen increasingly bearish in the main market, which saw 0.08mm exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.19mm trade across 23 deals.

The Islamic index was seen declining slower than the other indices in the main bourse, whose trade turnover fell amidst higher volumes.

The Gulf institutions' weakened net buying had its influence on the main market, which saw no trading of treasury bills.

The domestic funds were increasingly net profit takers in the main bourse, which saw no trading of sovereign bonds.

The Total Return Index was down 0.15%, the All Islamic Index by 0.06% and the All Share Index by 0.05% in the main market.

The banks and financial services sector index declined 0.24%



The local retail investors hurriedly squared off their position as the 20-stock Qatar Index fell 0.15% to 10,493.3 points, although it touched an intraday high of 10,530 points.

and industrials 0.23%; while insurance gained 1.45%, real estate (0.73%), telecom (0.36%), consumer goods and services (0.16%) and transport (0.11%).

Major shakers in the main bourse included Al Faleh Educational Holding, Beema, Qatar German Medical Devices, Es-tithmar Holding, Doha Bank, Qatari Investors Group and Industries Qatar.

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

Nevertheless, Qatar General Insurance and Reinsurance, Ezdan, Zad Holding, Dlala and Qatar Insurance were among the gainers in the main bourse.

In the junior market, Techno Q saw its shares appreciate in value.

The Qatari individuals turned net sellers to the tune of QR41.87mm compared with net buyers of QR2.11mm on October 10.

The foreign individuals' net selling increased marginally to QR12.59mm against QR11.8mm the previous trading day.

The foreign institutions' net

profit booking strengthened perceptibly to QR5.36mm compared to QR4.31mm last Thursday.

The Gulf institutions' net buying weakened noticeably to QR1.83mm against QR2.74mm on October 10.

However, the domestic funds' net buying rose substantially to QR50.45mm compared to QR15.59mm the previous trading day.

The Arab individuals were net buyers to the extent of QR6.85mm against net sellers of QR4.8mm last Thursday.

The Gulf individual investors' net buying grew marginally to QR0.68mm compared to QR0.46mm on October 10.

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

Trade volumes in the main market grew 26% to 127.71mm shares, while value was down 1% to QR250.06mm and transactions by 22% to 7,985.

In the venture market, trade volumes almost tripled to 0.14mm equities and value also almost tripled to QR0.46mm on a 70% surge in deals to 34.

## Opening Nominations for Membership on the Board of Directors of Baladna Q.P.S.C.

The Board of Directors of Baladna Q.P.S.C. (the "Company") is pleased to announce the opening of nominations for membership on the Board of Directors for the upcoming three years (November 2024 to November 2027). There will be a total of nine (9) members, consisting of six (6) non-independent members and three (3) independent members.

Nominations will be open for a period of five (5) days, starting from the morning of Sunday, October 13, 2024, until Thursday, October 17, 2024, inclusive, from 8:00 AM to 5:00 PM at the Company's headquarters. The member will be elected at the General Assembly Meeting scheduled for November 24, 2024. This is in accordance with the provisions of the Commercial Companies Law No. (11) of 2015, the Corporate Governance Regulations for listed companies issued by the Board of Directors of the Qatar Financial Markets Authority No. (5) of 2016, and the Company's Articles of Association.

Those wishing to nominate themselves for membership on the Board of Directors are requested to submit their nomination applications along with all required documents as outlined below, at the Company's headquarters located in Al Khor and Al Thakira, exit 44, North Road, Building 636, Street 259, Zone 74. This should be done during working hours (from 8:00 AM to 5:00 PM) throughout the nomination period. Nomination applications should be delivered to the Legal Affairs Department at the Company's headquarters.

#### Nomination Conditions

##### First: Non-Independent Members:

1. The candidate must be at least twenty-one years old and possess full legal capacity.
2. The candidate must not have been previously convicted of a criminal penalty, or of a crime involving dishonor or trustworthiness, or of a crime referred to in Article (40) of Law No. (8) of 2012 regarding the Qatar Financial Markets Authority, and Articles (334) and (335) of Law No. (11) of 2015 issuing the Commercial Companies Law. The candidate must also not be prohibited from practicing any work in entities under the Authority's supervision pursuant to Article (35, Paragraph 12) of the aforementioned law, or have been declared bankrupt unless they have been rehabilitated.
3. The candidate must, upon election or within thirty (30) days from the date of election, own one hundred thousand (100,000) shares of the company, which must be deposited within sixty (60) days from the start of membership at a depository or an approved bank, with no trading, pledging, or seizure allowed until the end of the membership term and the approval of the last financial statement in which the member performed their duties.
4. The candidate must not hold any position that legally prohibits them from concurrently holding membership on the board.
5. The candidate must be qualified and possess sufficient knowledge of administrative matters and appropriate experience to perform their duties effectively. Candidate must allocate sufficient time to carry out their work with integrity and transparency, achieving the interests and objectives of the Company.

##### Second: Independent Members

1. The candidate must be at least twenty-one years old and possess full legal capacity.
2. The candidate must not have been previously convicted of a criminal penalty, or of a crime involving dishonor or trustworthiness, or of a crime referred to in Article (40) of Law No. (8) of 2012 regarding the Qatar Financial Markets Authority, and Articles (334) and (335) of Law No. (11) of 2015 issuing the Commercial Companies Law. The candidate must also not be prohibited from practicing any work in entities under the Authority's supervision pursuant to Article (35, Paragraph 12) of the aforementioned law, or have been declared bankrupt unless they have been rehabilitated.

3. The candidate must not own at least 1% of the company's shares or any company within its group.
4. The candidate must not represent a legal entity that owns at least 5% of the company's shares or any company within its group.
5. The candidate must not have been part of the senior executive management of the company or any company within its group during the year preceding the board elections.
6. The candidate must not have a first-degree kinship with any of board members or senior executive management of the company, or any company within its group.
7. The candidate must not be a board member of any company within the group of the company for which they are seeking board membership.
8. The candidate must not have been employed within the two years preceding the board elections by any related parties to the company or any company within its group, such as accountants, major suppliers, or own controlling shares in any of those parties during the two years preceding the board elections.
9. The candidate must be qualified and possess sufficient knowledge of administrative matters and appropriate experience to perform their duties effectively. Candidate must allocate sufficient time to carry out their work with integrity and transparency, achieving the interests and objectives of the Company.
10. The candidate must not have any direct or indirect transactions with the company or any company within its group during the two years preceding the board elections.

#### Required Documents

1. A copy of the ID document stating the candidate's date of birth. (National ID or passport for Qatari candidates; passport for non-Qatari candidates).
2. A certificate of good conduct for the candidate. If a declaration is provided instead of the certificate before the elections, the declaration must be signed by the natural person candidate or the representative of the legal entity, and the original certificate of good conduct must be submitted within thirty days of election of the Candidate.
3. A share ownership certificate issued by the depository for the natural or legal candidate (non-independent), or a declaration confirming the deposit of the collateral shares with the depository within the legally specified timeframe. For independent candidates, if they own shares, they must provide a certificate of their share ownership issued by the depository.
4. A declaration confirming no dual positions, available on the company's website <https://baladna.com/en>.
5. A declaration from the candidate confirming no bankruptcy, available on the company's website <https://baladna.com/en>.
6. The candidate's curriculum vitae (CV).

#### Additional Required Documents for the Legal Entity Candidate (Non-Independent):

1. A letter designating the representative of the legal entity, signed by an authorized signatory with full and absolute authority.
2. A copy of the valid Commercial Registration or its equivalent.
3. The establishment card (Computer Card).
4. A signed nomination application by a one of the authorized signatories with full and absolute authority.

#### Important Notes:

- The original copies of any application, document, or declaration signed by the candidate and/or the nominating entity, along with all required documents mentioned in this announcement, must be submitted.
- Nomination applications that do not meet the conditions outlined in this announcement will not be accepted.



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## Turkiye posts highest current-account surplus in five years

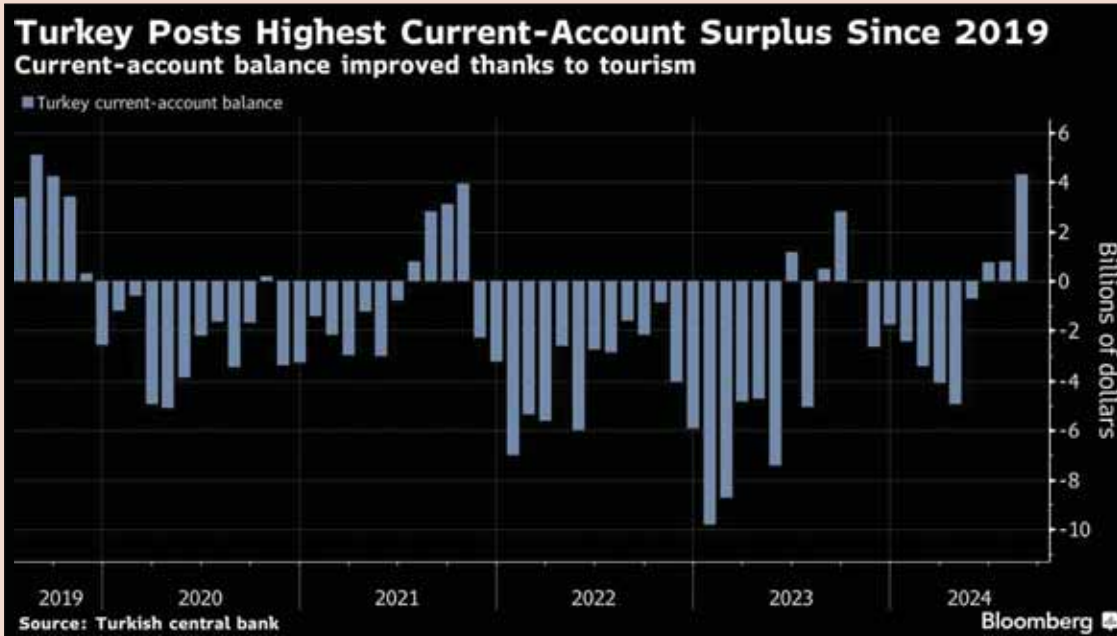
**Bloomberg**  
Istanbul

Turkiye posted its highest current-account surplus in five years in August, buoyed by a surge in tourism that helped offset the country's trade gap. The broadest measure of trade and investment flows with the outside world had a surplus of \$4.3bn in August, compared with a revised surplus of \$778mn the previous month, central bank data showed on Friday. Economists surveyed by Bloomberg were expecting a surplus of \$4.2bn.

The main driver was a net services surplus of \$8.7bn. The goods deficit stood at \$2.9bn.

The sharp improvement in the current-account data shows how restrictive monetary policy is helping drive down demand for foreign goods through high borrowing costs and limiting credit growth at home. Gold imports — previously a major contributor to deficits as Turks sought refuge from inflation — have also declined this year.

The tight policies have so far had "limited" impact on consumer goods imports, Istanbul-based economist Haluk Burumceki wrote in a note. "The overall slowdown in imports is mostly through



a fall in intermediate goods and capital goods imports," he said. In August, the lira was among the worst-performing emerging market currencies tracked by Bloomberg, driven by a global market rout and rising demand for dollars among locals despite policies

aimed at encouraging local-currency savings. Foreign-currency demand was reflected in reserves data for August, with a decline of \$2.5bn following three consecutive months of growth. Net errors and omissions, or money of unknown origin,

recorded outflows of \$3.7bn. "For a more sustainable course in the current-account deficit, domestic demand-driven growth needs to be also offset by fiscal measures on spending, in addition to monetary and macroprudential policies," Burumceki said.

## IMF warns Turkiye of risks to gradual approach to inflation fight

**Bloomberg**  
Istanbul

The International Monetary Fund urged Turkiye to accelerate its fight against inflation, highlighting an upcoming wage hike as a potential turning point.

"The authorities' gradual approach to fighting inflation prolongs the period during which risks might occur," the fund said in a statement on Friday after a routine visit to member states known as an Article IV consultation.

It recommended "larger and more frontloaded" steps to cut the budget deficit and "urged authorities to press ahead with co-ordinated fiscal, monetary, and incomes policies."

In particular, it said indexing wages to inflation expectations rather than past infla-

tion could "significantly help" to curb prices.

Walls Street banks are closely watching for signs of how much the government will increase the minimum wage by in 2025, with Deutsche Bank citing a consensus expectation of 25%-30% after a recent visit.

Turkiye hiked the minimum wage twice in 2023 in a bid to help workers facing a spiralling cost-of-living crisis in an election year. In 2024 the government only raised it once despite calls from labour confederations and opposition parties.

Turkiye has gradually increased policy rates to 50% from 8.50%. Despite the tightening, the latest data showed inflation falling slower than expected in September to 49.4%, due to persistent price expectations and services costs.



The International Monetary Fund urged Turkiye to accelerate its fight against inflation, highlighting an upcoming wage hike as a potential turning point

## Turkiye said to soften inflation accounting rule to shield investments

The Turkish government plans to ease inflation accounting rules by exempting capital expenditures from calculations, according to officials familiar with the matter, reports Bloomberg. Current inflation accounting rules have weighed on companies' financial

results, prompting higher tax payments in some cases. The current rules in place could discourage corporate investments in the government's view, the officials said, asking not to be named because they are not authorised to speak on the matter. The amendments could be submitted to

parliament in the coming days, they said. The Turkish Treasury and Finance Ministry declined to comment. Turkiye switched to inflation accounting this year after three-year cumulative domestic producer price growth exceeded 100%. Firms with annual gross

revenues below 50mn liras (\$1.46mn) were recently exempted from inflation accounting. Vice-President Cevdet Yilmaz had told Bloomberg last month that the government would assess the impact of inflation accounting on investments and discuss how it would

continue to be applied for 2025. Businesses have criticised the system in place and called for a review of it. Sekib Avdagic, the head of Istanbul Chamber of Commerce, said the rules jeopardise investment and force small and medium-sized companies to pay tax over their investments.

## Iraq says it pumped below Opec+ oil production quota last month

**Bloomberg**  
Baghdad

Iraq said it pumped below its Opec+ oil-production quota last month as it sought to comply better with the group's effort to balance global crude markets.

The Middle East heavyweight cut production by 260,000 barrels a day to 3.94mn a day in September, Mohammed al-Najjar, head of the market research division at Iraqi state oil company SOMO, said in an interview. That's 60,000 less than its quota. The Kurdish region reduced by 140,000 barrels a day, while 120,000 barrels were curbed in the south of Iraq, he said.

Opec+'s leadership have pressed members like Iraq, Kazakhstan and Russia to fully implement output cuts pledged at the start of the year, and make additional reductions in compensation for over-producing.

While oil prices have surged this month on fears over escalating conflict in the Middle East, futures remain 10% below their July highs as slowing demand growth and swelling American supplies threaten to create a glut. Brent settled near \$79 a barrel on Friday, too low for some in the Organisation of Petroleum Exporting Countries to cover government spending.

Al-Najjar said that output at state-operated fields in Basra including Majnoon was reduced by a combined 100,000 barrels a day from August 27, in addition to a cutback of 20,000 a day at the Nasiriyah field.

Last week, the semi-autonomous Kurdistan Regional Government's Acting Minister of Natural Resources, Mohammad Salih, said the territory cut output by 50% to 140,000 barrels a day at the start of September.

SOMO's figures for September are lower than estimates compiled by Bloomberg, which include data from Rystad Energy and Kpler Ltd, and put Iraqi output for the month at 4.25mn barrels a day.

Opec+'s Vienna-based secretariat will publish its own estimate next week, compiled from seven external — or "secondary" — sources. These include figures from S&P Global, which assessed Iraq at 4.2mn barrels a day last month. Opec+ uses an average of the seven sources to measure compliance.

Iraq's overdue cutbacks are part of a series that the 23-nation Opec+ coalition — led by Saudi Arabia and Russia — has been making since late 2022 in an effort to stave off a surplus and shore up crude prices. The group is now seeking to gradually restore roughly 2.2mn barrels a day of halted output, but has been forced to delay the restart because market sentiment remains fragile.

Opec+ intends to begin the first monthly hike in December, and has several more weeks to weigh up its plans. RBC Capital LLC has said Saudi Arabia could speed up its scheduled output revival if fellow members don't implement their pledged cutbacks.



Flames emerge from flare stacks at the oil fields in Basra. Opec+'s leadership have pressed members like Iraq, Kazakhstan and Russia to fully implement output cuts pledged at the start of the year, and make additional reductions in compensation for over-producing.

## Influx of expats is weighing on Dubai's infrastructure

**Bloomberg**  
Dubai

The extent of Dubai's post-pandemic rebound was on display late last month. On the same day that Africa's richest man unveiled plans to set up his family office, Santander Group became the latest firm to bolster its wealth offering in the emirate.

But while an influx of expatriates chasing high-paying jobs is boosting the nearly \$115bn economy, it's also exposing the limitations of Dubai's infrastructure. The city is home to 3.8mn now, and that's expected to surge to 5.8mn by 2040.

That would bring Dubai's population closer to Singapore's and mark a turnaround from the pandemic years. Since 2020, about 400,000 people have arrived, drawn by low taxes, safety and proximity to major markets.

The growth has stoked the economy, and that's helped propel Dubai's benchmark index into the ranks of the best global performers this year, led by state-backed Emirates NBD Bank PJSC, toll operator Salik and Dubai Electricity & Water Authority.

But it's come at a cost. The glut of traders, lawyers and bankers willing to fork out premium prices is pushing up property values and rents, while intensifying competition for school admissions. Public transport is limited and roads are routinely jammed — though Dubai still fares better than London, New York and Riyadh on time lost per year in rush hour traffic, according to data from TomTom. Monica Malik, chief economist at Abu

Dhabi Commercial Bank PJSC, sees the pace of growth continuing through this decade. "The lifestyle, ease of doing business and the personal income tax environment are all factors supporting this ongoing expansion," she said. "We expect to see significant investment to support the liveability."

Dubai has ambitions to be a top three city globally by standard of living, according to a spokesperson for the Dubai Media Office. Its 2040 urban master plan aims to make the city more sustainable, while Social Agenda 33, launched in this year, focuses on enhancing education, healthcare, and social services. Among the emirate's projects are a \$5bn expansion of the metro and an \$8.2bn drainage network, after extreme rains in April flooded highways, homes and businesses.

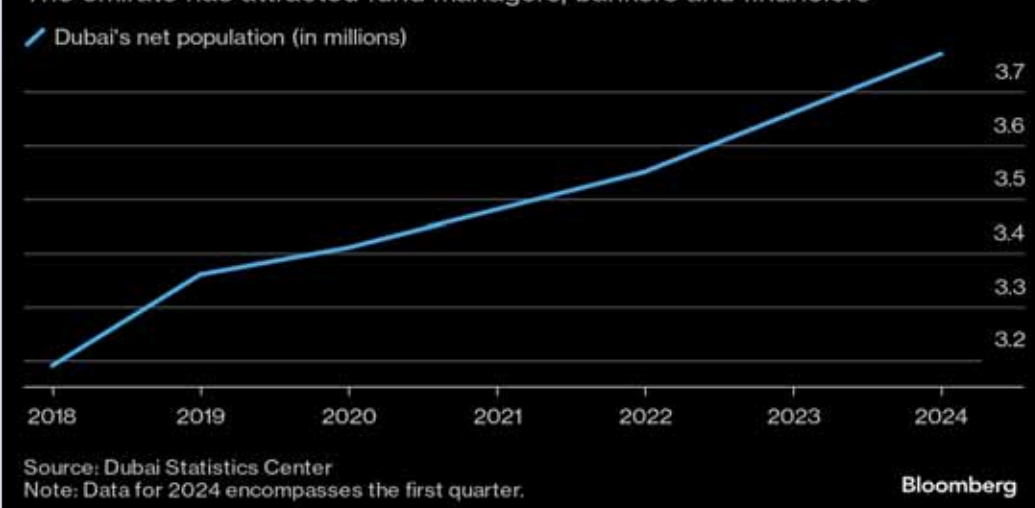
Nowhere is the boom more evident than within the financial hub. The number of people working in the Dubai International Financial Center has jumped 70% in the past five years, according to data from the free-zone, as hedge funds including Millennium Management and banks like State Street moved in.

The DIFC expects a record number of firms to set up this year, and is building three new office towers. Across the city, average office occupancy rates rose to over 91% in the second quarter, a sharp contrast to the commercial real estate downturn seen in many global financial hubs.

The turnaround started during the pandemic, when Dubai — emboldened by high vaccination rates — welcomed visitors before most countries lifted

### Dubai Has Seen an Influx of People Over Three Years

The emirate has attracted fund managers, bankers and financiers



lockdown measures. That, combined with easing visa regulations, spurred a rush of crypto millionaires, bankers from Asia and digital nomads. Moscow's invasion of Ukraine in 2022 prompted another wave of newcomers as wealthy Russians moved to shield their assets. Conflicts in the Middle East and Russia's war on Ukraine have had a less damaging impact on the global economy than was feared, according to Scott Livermore, chief economist at Oxford Economics Middle East. "This is true in the Gulf countries and Dubai, which continue to enjoy strong growth," he said. "We should expect

this to continue unless there is a significant escalation in the conflict that draws in a wider number of countries." The influx has helped Dubai's real estate industry break free from its boom-and-bust cycle. Home values have risen for 16 consecutive quarters and rents for single family villas have soared 86% since the start of the pandemic, according to real estate consultancy JLL. Property prices in Dubai have outstripped London and Singapore since early 2019, according to data compiled by Bloomberg. Developers are responding. About 90,000 new homes are expected to hit the market in the

next two years. Some expatriates, finding themselves priced out, are looking to rent or buy in Sharjah — one of the seven emirates in the United Arab Emirates. Shane Breen, head of Savills' Sharjah office, said the migration from Dubai couldn't have been more evident than at a new building his firm managed. Over two-thirds of the tenants moved in from Dubai. A downside is more traffic on already crowded roads. Hundreds of thousands of workers commute to Dubai from neighbouring emirates, including Sharjah, and driving times can more than double during rush hour. Competition is also intensifying for

schools, with enrolment up 8% so far in 2024 from a year earlier, according to James Mullen, co-founder of WhichSchoolAdvisor.com. Expatriates, who make up nearly 90% of the population, are effectively shut out from public schools, and parents shell out substantial amounts of their salaries on school fees.

"Any half decent school is full to the gills and most have long waiting lists," Mullen said. About 15 new schools are expected to open over the next three years, in addition to the 220 already in operation, as firms look to capitalise on the rush of incoming families, he said.

Destination Tourism, a pillar of Dubai's economy, is also flourishing. About 10.6mn people visited Dubai this year through July, an 8% annual increase, according to data from the city's tourism department. Underpinning that is Dubai's position as an aviation hub. The city's airport expects a record 91.8mn passengers to pass through its terminals this year.

While Dubai's population explosion — in 1960, it was home to just 40,000 people — may slow, the emirate wants to attract more investment and businesses, and is planning tens of billions of dollars of projects to accommodate citizens, residents and tourists. "The pace of growth may tail off over the next couple of years as the rebound from the pandemic matures," according to Oxford Economics Middle East's Livermore. "The rapid growth has certainly put strains on some of the infrastructure in Dubai but authorities seem to have a plan to cope with the consequences."



# Amundi, NWI look past US vote jitters to bet on Mexican peso

**Bloomberg**  
New York

Money managers from Amundi SA to NWI Management are building contrarian bets on the Mexican peso, wading back in just as volatility in currency markets is expected to pick up ahead of the US presidential election.

A growing number of investors argue the currency, one of the most liquid assets in emerging markets, will do fine whoever wins the White House in November. In the meantime, Mexican interest rates at 10.5% are too high to miss out on, said Hari Hariharan, chief executive officer at NWI, a New-York based hedge fund.

Institutional asset managers are the most bullish on the peso in more than a month, according to data from the Commodity Futures Trading Commission through October 8.

"The tide has turned for the peso," said Hariharan, who had been neutral on the currency since April 2023. Mexico's new president, Claudia Sheinbaum, will work with Trump to avoid tariffs, he said, while reining in government spending. A weaker yen and a strong US economy also help the case.

Hariharan, who oversees \$2.4bn at NWI, is building an overweight position in the currency, based on the so-called carry trade offered by high local rates. He argues the best way to protect against dollar spikes in the lead up and aftermath of the vote is to borrow in the Japanese yen or Swiss franc and invest in the peso, bypassing the greenback.

Other firms such as UBS Group AG and Amundi say the peso's recent slump opened an attractive entry level to resume bullish bets. The currency is the worst performer among the world's majors in the past six months, more than 15% to 19.4 per dollar.

The drop, fueled by a landslide election victory for the ruling left-wing party, was a reckoning for the currency that had earned the moniker of "super peso" because of its relentless, multi-year rally. The slump worsened as a rally in the yen undermined the appeal of carry trades, which had propelled the currency in the past few years.

"It could be indeed the come-



Exchange rate information displayed at a currency exchange office in Mexico City. Money managers from Amundi to NWI Management are building contrarian bets on the Mexican peso, wading back in just as volatility in currency markets is expected to pick up ahead of the US presidential election.

back trade," said Yerlan Syzdykov, the head of EM debt at Amundi, who added the firm began re-building an overweight position as the peso slipped past 19.5-per dollar in recent weeks. He prefers pitting the peso against the Swiss franc and the Taiwanese dollar to profit.

The call — particularly its timing — is far from a consensus. For many, betting on the peso is a risk too far with the threat of Donald Trump imposing import tariffs should he win the election. A gauge of one-month implied volatility in the peso has risen to its highest since the last US vote four years ago.

JPMorgan Chase & Co joined rival banks this week, shutting down a long-standing bullish recommendation on the peso amid unpredictable risks from the US vote. In fact, emerging-market currencies as a whole have yet to price in risks associated with the election, strategists led by Jonny Goulden wrote in a note.

While there's "definitely opportunity to make money" on Mexico's currency, there's no short-term catalysts with the US election coming up, said Kris-

tina Campmany, a senior portfolio manager at Invesco. The split outlook offers a glimpse into just how murky the scenarios are for developing-world assets just weeks before the vote. CFTC data also showed leveraged funds flipped back to a net bearish position on the peso — after turning bullish just last week — underscoring how volatile the outlook has become.

While investors say Kamala Harris would spur a risk rally in global markets, Trump's victory threatens emerging-market currencies, bonds and stocks.

Latest polls show Harris with a razor thin lead over Trump at the national level. Traders will also watch for the composition of congress, key to passing foreign and trade policy legislation in the coming years.

For the peso bulls, though, those fears are exaggerated.

Mexico's deputy trade minister boasted this month about the country's intention to lure US carmakers and semiconductor manufacturers as well as global giants in the aerospace and electronics sectors in a bid to replace goods and components manu-

factured in Asia. That could appease any concerns in a potential Trump administration that China is using Mexico as a stepping stone into the US.

It indicates that the new Mexican government is aware of the risks and "problem recognition is half of good management," Hariharan said.

"Am I saying it's super peso on its way to 16-per-dollar? No," he said. "It's a peso which is probably going to be comfortable in 18.5 to 20-per-dollar range."

Chinese economic data due throughout the week is likely to show weakening growth and deflationary pressures before the government's raft of economic stimuli at the end of September, Bloomberg Economics wrote in a report.

Chile's central bank will likely cut interest-rates by 25 basis points on Wednesday, taking borrowing costs to 5.25%, according to the consensus forecast of economists surveyed by Bloomberg.

Turkish policymakers are expected to keep the key rate on hold at 50% on Thursday for the seventh consecutive time, according to Bloomberg Economics.

## Tariffs, tax cuts and energy: What is in Trump's economic plan?

**AFP**  
Washington

Republican presidential candidate Donald Trump wants to bring back US manufacturing and lower costs, relying on tariffs to boost US coffers and exert pressure on other countries — but the reality is less straightforward.

Ahead of November's election, economists warn his policies could raise consumer prices and shake up global trade — with unclear benefits to US production. The pitch is for tariffs to add billions in revenue and take aim at countries like China which have been "ripping us off," while pushing businesses to bring production back on US shores. "Other countries are going to finally, after 75 years, pay us back for all that we've done for the world," Trump said in his September debate with Democratic nominee Kamala Harris.

He told a rally in Michigan last week: "Tariffs, to me, are the most beautiful word." The former president has vowed a 10-20% across-the-board tariff on imports and a 60% rate on Chinese goods — more recently threatening a 200% levy on automobiles made in Mexico. It is US businesses — not foreign governments, as Trump often asserts — that pay import taxes on overseas purchases when there are tariffs on such goods, and they can pass on the higher costs, which could add to inflation. Alongside his tariff plans, Trump wants to extend expiring tax cuts and lower corporate income tax further. But proposed tariffs could counteract the benefits from his tax policy "while falling short of offsetting the tax revenue losses," said the Tax Foundation think tank.

**Higher costs:** US inflation could rise 1.3 percentage points above baseline next year if Trump imposed a 10% universal tariff and other governments retaliate, said the Peterson Institute for International Economics (PIIE). Sharp hikes on Chinese goods would also fuel inflation, the institute added.

Others, like Bernard Yaros of Oxford Economics, estimates a Trump presidency could raise inflation by 0.6 percentage points at its peak.

Previously, businesses bore the brunt as imported components got more expensive, said Kyle Handley, professor at UC San Diego. But he noted: "If they do an across-the-board tariff of 10-20%,"

there's no way we're not going to see that on store shelves." And it is unlikely that manufacturing can return to the US in short order.

"We haven't made TVs in the US in decades," Handley said, adding that US factories are not producing at the scale needed to satisfy consumption either. Trump claims earlier tariff hikes on China and others brought no inflation. But Handley estimates the supply chain frictions exporters faced were equivalent to a two to 4% tariff hit — and companies tell AFP they have had to pass on some costs. A 2019 paper in the Journal of Economic Perspectives found that by end-2018, import tariffs were costing US consumers and importers an additional \$3.2bn per month in added tax costs.

**Rerouting trade:** Trump's tariff plans could also slash bilateral US-China trade by 70%, redirecting or eliminating hundreds of billions of dollars' worth of exchanges, said Oxford Economics.

US trade volumes could be cut by 10%, becoming more centred on North American and other free trade agreement partners, the advisory firm added. While the added tariffs would raise some \$500bn in revenue annually, rerouted trade from China could slash this figure closer to \$200bn per year eventually, Yaros said.

Other proposals like revoking a status that shields China from various US levies — "permanent normal trade relations" — could also raise inflation by 0.4 percentage points in 2025, PIIE added. Although Trump wants a "reciprocal trade act" where "countries that make us pay a tax to do business with them will be charged the same tax when they send their product into the US," Yaros believes this is less likely as it requires bipartisan Congressional support.

**Food, energy:** Trump regularly promises to eliminate inflation, too — a critical voter concern — saying he would slash energy bills in half within a year. Analysts expect that this refers to more deregulation in the domestic oil and gas sector. But Yaros expressed scepticism that this would "unleash significantly greater production" given that it depends on major energy producers, who in turn have shareholders to answer to. While Trump wants to lower food costs by allowing less foreign agricultural products into the country, economists have noted that import barriers could trigger retaliation.

## US Treasury calls for new IMF, World Bank steps to ease liquidity strains

**Reuters**  
Washington

The US Treasury's top economic diplomat on Friday called on the International Monetary Fund (IMF) and multilateral development banks to work on new ways to provide short-term liquidity support to low- and middle-income countries to head off debt crises. Jay Shambaugh, the Treasury's undersecretary for international finance, told an Atlantic Council event that the Treasury was working with these institutions "to find a better path" for countries with high but sustainable debts that face liquidity pressures. Shambaugh, who oversees the dominant US shareholdings in the IMF and World Bank, said he hoped that the institutions could make progress at their annual meetings later this month in developing new mechanisms and program design changes that meet the needs of a vast number of countries dealing with temporary shocks.

Low-income countries' average annual spending on debt service has jumped to \$60bn from about \$20bn between 2010 and 2020, which could put the global debt architecture under "significant strain" as some countries face significant principal repayments in coming months, Shambaugh said.

"If you are a country committed to sustainable development and if you are willing to engage with the IMF and MDBs to unlock significant financing alongside significant reform measures, there needs to be a financing package from bilateral, multilateral, and private sector sources to bridge your liquidity needs in a way that is supportive of your

sustainable long-run development," Shambaugh said. The plan "will require hard work and innovation" at the international financial institutions, he said, adding that they will need to design their lending and reform programs in a way that avoids having temporary fiscal adjustments lead to permanent harm due to cuts to important investments, such as for infrastructure. Shambaugh also continued his criticism of China's economic policies, including recent steps by Beijing to direct more subsidies to manufacturing investments despite producing a third of the world's manufactured goods. He said the strategy would cause export spillovers to other countries and is "unlikely to be successful" in the absence of domestic demand.

"By focusing on manufacturing via nonmarket tools and subsidies despite China's already outsized role, this also means China may be closing what has been a typical development path to many other countries eyeing low-cost manufacturing as the next stage of their development," Shambaugh said. "And by channelling the saving to particular sectors, this increases the likelihood of overcapacity and spillovers to other countries." Shambaugh said that the IMF needs to pay more attention to the source of China's external surpluses and the role of industrial policy. The comments echoed those of another Treasury official, Brent Neiman, who said last week that the IMF was "too polite" in assessing China's economic policies. Shambaugh said he was "encouraged" by new stimulus measures announced by China's central bank, but said Beijing needs to include more fiscal policy stimulus to shift spending to households.

## Boeing to cut 10% of workforce as it sees big loss in third quarter

**AFP**  
New York

Boeing announced that it plans to cut 10% of its workforce as it projected a large third-quarter loss amid a machinist strike in the Seattle region.

The aviation giant must "reset our workforce levels to align with our financial reality," Chief Executive Kelly Ortberg said on Friday, adding that the cuts of 17,000 positions globally "will include executives, managers and employees." The company announced a series of belt-tightening measures and production delays as the nearly month-long strike of 33,000 workers has added to the company's litany of problems.

Boeing staff with the International Association of Machinists (IAM) and Aerospace Workers walked off the job on September 13 after overwhelmingly rejecting a contract offer.

IAM officials did not immediately respond to a request for comment from AFP. Boeing, which has also faced significant scrutiny over commercial aviation safety lapses and stumbles in its Starliner space program, said the IAM strike contributed to \$3bn in pre-tax charges to its commercial aviation results in the third quarter, part of an anticipated loss of \$9.97 per share.

"While our business is facing near-term challenges, we are making important strategic decisions for our future and have a clear view on the work we must do to restore our company," Ortberg said in a press release.

"These decisive actions, along with key structural changes to our business, are necessary to remain competitive over the long term." Details of the cuts would come next week, he said. As a result of the



Boeing announced that it plans to cut 10% of its workforce as it projected a large third-quarter loss amid a machinist strike in the Seattle region

strike, Boeing said it is pushing back first delivery of the 777X to 2026 from 2025. The much-delayed jet was originally supposed to enter service in January 2020.

The company plans to cease production of the 767 Freighter in 2027 once it completes production on current orders.

Ortberg also vowed to take "additional oversight" of Boeing's troubled defence and space businesses, which will experience "substantial new losses" in the third quarter, he said in the message to employees.

Ortberg joined Boeing in August after a leadership shakeup initiated in the wake of a January incident on Alaska Airlines in which a window blew out mid-flight, necessitating an emergency landing on a 737 MAX, the aircraft involved in two fatal crashes in 2018 and 2019.

That led to the Federal Aviation Administration tightening oversight of Boeing's production processes, capping the company's output. Production on the MAX is now halted due to the IAM strike.

On Friday, a judge in Texas heard arguments on whether to approve a US De-

partment of Justice criminal settlement on the MAX. Family members of MAX victims from the two crashes argued in court against the settlement, asserting that Boeing and former executives should be criminally prosecuted in a public trial.

The IAM strike, meanwhile, has halted activity at two Seattle-area assembly plants.

The striking workers are seeking hefty wage hikes and a reinstatement of their pension, complaining of more than a decade of near-flat wages amid inflation.

Ratings agency S&P estimated this week that the strike was costing Boeing \$1bn per month.

On Tuesday, following two days of unsuccessful negotiations, Boeing suspended the talks, accusing the union of making unreasonable demands and withdrew its offer. Boeing's most recent offer included a 30% wage hike.

IAM's negotiating committee said late Friday that Boeing's withdrawal of its offer at the last talks "will only make it harder to reach an agreement."



# ECB set to deepen global easing with rate cut it didn't expect

**Bloomberg**  
Frankfurt

The European Central Bank (ECB) will probably advance the global push for monetary easing in the coming week with an interest-rate cut that policymakers had all but ruled out just a month ago.

The third quarter-point reduction of this cycle is seen likely by economists to herald a longer-lasting acceleration in action by officials seeking to cushion the eurozone from the hit to growth created by an extended period of high borrowing costs, and now playing out with a lag.

With a smaller-than-usual gap of just five weeks between decisions, and not much new data available, officials appear to be abandoning recent caution about lingering inflation pressures in order to respond mainly to survey data pointing to a contraction in the private-sector economy.

Such reports have moved the needle for financial markets, and stoked momentum for a cut that's widely anticipated after policymakers largely endorsed the change in bets. The switch has been abrupt. At the

September 12 decision, officials almost excluded a cut in October. Days later, Slovakian central bank governor Peter Kazimir declared that "we will almost surely need to wait until December" for another move because "very little new information" would be available by October 17.

He's now the sole voice publicly arguing against a move on Thursday, although other hawks could potentially join him behind the scenes.

As for what happens next, economists now reckon the ECB will speed up its easing to bring borrowing costs down to a level that no longer constricts the economy by the end of 2025, according to a Bloomberg survey.

Elsewhere, Chinese data may show the economy continuing to underperform its target, other central banks from Southeast Asia to Chile will deliver rate decisions, and UK inflation may finally slow below 2%. The Nobel Prize in economics will be announced in Stockholm on Monday.

US reports will offer a sense of how much momentum consumers, manufacturers and homebuilders had approaching the final quarter of the year. Data out Thursday are forecast to show steady re-

tail sales growth that underscores resilient consumer spending habits. The Atlanta Fed's GDPNow forecast currently sees a faster pace of personal consumption expenditures powering stronger economic growth in the third quarter.

At the same time, a Fed report on Thursday is expected to show an easing in factory output that illustrates a struggling manufacturing sector. And housing starts the following day will probably point to cooler residential construction.

The impact on September economic data from Hurricane Helene may be modest considering landfall occurred late in the month. However, Helene and Hurricane Milton are expected to skew October data. Fed officials speaking in the coming week include Christopher Waller, Neel Kashkari and Mary Daly.

Turning north, the Bank of Canada will be watching for more cooling in core inflation in September's data after the headline rate finally reached the 2% target in August. However, a small upside surprise wouldn't throw policymakers off their easing track, as they've said they expect some bumpiness on the path toward a sustainable return to the target. China's in the

spotlight all week, culminating in growth figures Friday that are likely to show the economy is still expanding below the 5% target for the year.

That outcome would underscore why authorities undertook aggressive easing measures late last month, and presented another salvo of support on Saturday.

Beijing will publish a slew of monthly figures, including industrial output and retail sales for September, along with third-quarter gross domestic product data. Property investment probably fell at a double-digit clip for a fifth straight month.

The week kicked off with figures on Sunday that showed that China's deflationary problems became more entrenched in September, with consumer prices still weak and factory gate prices continuing to fall.

Elsewhere, the Monetary Authority of Singapore issues its policy statement today, while Southeast Asia gets a blast of central bank action on Wednesday.

In Manila, Bangko Sentral ng Pilipinas is forecast to cut its benchmark and standing overnight deposit facility rates by a quarter-point each, while the Bank

of Thailand and Bank Indonesia may hold their policy settings steady.

Consumer prices in Japan for September are seen rising faster than the Bank of Japan's target for a 27th straight month, and Australia gets labour statistics on Thursday that may reflect continued tightness.

Singapore's growth probably picked up in the third quarter, according to the consensus estimate for data on Monday. Trade data are due from China, Japan, Indonesia, India, Singapore and Malaysia, and New Zealand is set to publish third-quarter consumer price figures.

Aside from the ECB decision, the UK is likely to prove a key focus, with data on wages, inflation and retail sales all scheduled for release.

With Bank of England Governor Andrew Bailey having signalled he could be open to a more aggressive approach to easing, the numbers will offer a glimpse on whether the consumer-price backdrop has become benign enough to allow that.

Economists anticipate that the inflation data will show weakening in September to below the 2% target for the first time since April 2021.

# Health of US consumer in focus as earnings season heats up

**Reuters**  
New York

The health of the US consumer moves into the spotlight this week, with investors watching corporate earnings reports and retail sales data for further confirmation of the economic resilience that has boosted equity markets this month.

As earnings season kicks off, stocks are on a roll. The benchmark S&P 500 is set to post its fifth straight weekly gain and is hovering near a fresh record high after rising over 21% this year.

Driving the gains is a string of encouraging economic data that have all but dispelled the slowdown fears that rocked markets over the summer. Among these was a blowout jobs report earlier this month, the latest sign that the economy is maintaining solid growth as the Federal Reserve cuts interest rates — a historically potent combination for stock market gains.

"For the most part, the majority of the economic data stream has been positive," said Art Hogan, chief market strategist at B Riley Wealth. "Hopefully that gets confirmation with some of the more consumer-facing companies that are reporting next week." Earnings from American Express, Netflix, United Airlines, Procter & Gamble and several major banks will give a broad view of consumer spending, which accounts for more than two-thirds of US economic activity. Retail sales data is expected on October 17.

Shares of JPMorgan Chase and Wells Fargo jumped as earnings season got into gear on Friday, after both lenders surpassed estimates.

Expectations have firmed that the economy will avoid a down-



The front facade of the New York Stock Exchange. The health of the US consumer moves into the spotlight this week, with investors watching corporate earnings reports and retail sales data for further confirmation of the economic resilience that has boosted equity markets this month.

turn despite a long period of elevated interest rates. Goldman Sachs, for example, lowered the odds of a US recession in the next 12 months by five percentage points to 15% following the employment data.

Robust data has supported that view. In addition to jobs, reports on consumer prices and the services sector suggest that fears of a rapidly weakening economy — prompted by disappointing labour market reports in August and September — were overblown.

The Citigroup Economic Surprise Index, which measures how economic data stacks up versus expectations, turned positive this month after being negative since the start of May.

Still, the consumer-spending environment has grown "murkier" following layoffs at financial

services and technology companies in recent months, back-to-back hurricanes in the Southeast and a brief dockworkers strike, said Kevin Gordon, senior investment strategist at Charles Schwab, raising the stakes for data and company reports to provide clarity.

More insight will come from additional banks reporting in the coming days, including Bank of America and Citigroup on Tuesday.

American Express' results will offer a read on more high-end consumer spending, said Peter Tuz, president of Chase Investment Counsel in Charlottesville, Virginia.

At the other end of the income spectrum, investors said they were focusing on how less affluent consumers were grappling with the rise in prices over the

past few years. Brian Jacobsen, chief economist at Annex Wealth Management in Milwaukee, said he will be scrutinising Netflix's results — specifically whether the streaming service is adding or losing customers and at what pace — for insight into how lower-income consumers are repricing spending.

Companies will need to top expectations for profit growth in their quarterly reports in order to support the stock market's valuation, which stands well above its historical average.

Among the small number of companies that have already reported, 79% have topped estimates, in line with the pace of the past four quarters, LSEG IBES data on Friday showed.

More than 150 S&P 500 companies are expected to report results over the next two weeks.

# Northvolt in talks for about €200mn in short-term funding

**Reuters**  
London/Stockholm

Northvolt is in talks with investors and lenders to secure about €200mn (\$218mn) in short-term funding, three sources familiar with the matter said, as the Swedish maker of batteries for electric vehicles seeks to stabilise its finances.

The talks have been taking place this week, one of the sources said, adding that the company still aims to raise a larger amount of capital for the long-term. The sources declined to be identified because the matter is confidential.

On Friday, Northvolt repeated a statement from September 24 that said it had made significant progress in recent weeks in its effort to raise cash. It declined to comment further.

Northvolt has gone in a matter of months from being Europe's best shot at a homegrown electric-vehicle battery champion to racing to raise funds.

A second source said it was unclear how long the new funding being discussed could sustain the lithium-ion battery maker, but that it would not be enough in the long term.

Late on Thursday, Northvolt said it would be able to pay 287mn Swedish crowns (\$27.59mn) of taxes that fall due on Monday. Reuters had earlier reported that it was seeking to sell redundant battery materials to raise cash.

Last month, the company said it would slim down and cut jobs after struggling with production problems, sluggish demand and competition from China.

New short-term funding could be made up of a mix of pre-orders from customers for batteries as well as loans as shareholders, customers and lenders all discuss forms of support, the first source said.

That source and a third person said there is a verbal agreement for €150mn in funding, but a final deal has not yet been agreed.

The sums involved are much smaller than the 15bn Swedish crowns (\$1.44bn) that Swedish media had reported Northvolt was looking for a few months ago, or the 7.5bn crowns it was reported to be seeking last month.

A fourth source with direct knowledge of the matter said there had been weekly meetings at which the sum Northvolt was asking for gradually decreased.

SCANIA, BMW Truckmaker and Northvolt shareholder Scania is spearheading the talks, the first source said. The second source confirmed that Scania plays a role in the discussions.

Scania said it is "in close dialogue" with Northvolt, but did not comment further.

German auto maker BMW, which cancelled a \$2bn order earlier this year, is not involved in the fundraising, the third source said.

A BMW spokesperson said it had no plans to change its 2.8% stake in Northvolt but declined to comment further.

Despite being a leader in the industry, Northvolt has struggled to produce high-quality batteries in enough volumes, leading to BMW walking away from its big order and delays of EV ramp-up at Tra-ton's Scania.

A spokesperson for the German economy ministry said on Friday that Northvolt had confirmed its commitment to building a factory at Heide in northern Germany with EU-approved state aid.

"The current problems with the ramp-up are more directly caused by the Swedish company... Therefore, the question of German support for the Heide project with subsidies does not arise," the spokesperson said.

Founded in 2016, Northvolt has over the years received more than \$10bn in equity and debt financing from players including Volkswagen, Goldman Sachs and Blackrock, filings show.

Prime Minister Ulf Kristersson in September ruled out the Swedish government taking a stake in the company.

# France credit rating cut to negative by Fitch on wider deficits

**Bloomberg**  
Paris

Fitch Ratings put France on negative outlook a day after the government presented its 2025 budget, delivering a rapid critique of Prime Minister Michel Barnier's efforts to deal with a sharp deterioration in public finances.

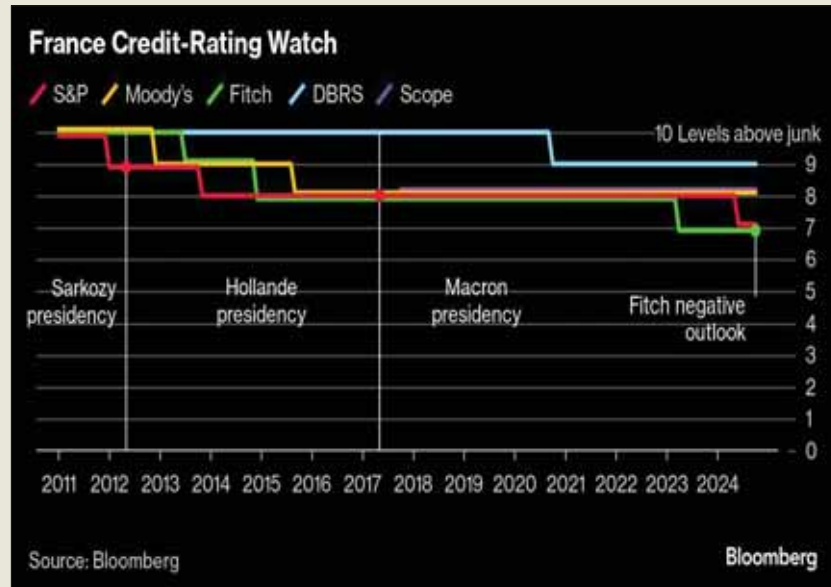
The ratings firm's reproach comes after it already downgraded France to AA- from AA in April last year, a credit assessment it shares with the UK and Belgium. "Fiscal policy risks have increased since our last review," Fitch said in a statement Friday. "This year's projected fiscal slippage places France in a worse fiscal starting position, and we now expect wider fiscal deficits, leading to a steep rise in government debt towards 118.5% of GDP by 2028."

The alert on France's creditworthiness underscores the depth of the country's fiscal challenges. The situation has deteriorated rapidly in 2024 after weak tax receipts left a hole in the budget and President Emmanuel Macron triggered months of political uncertainty and policy inertia with a snap decision to dissolve

parliament. The episode has prompted investors to sell French bonds, driving up the premium the country pays over Germany on ten-year debt to close to 80 basis points from less than 50 earlier in the year. In an effort to steady the situation, Barnier's minority government presented a 2025 budget plan on Thursday with €60bn (\$65.6bn) of spending cuts and tax increases to bring the deficit to 5% of economic output from 6.1% this year. The previous administration initially targeted a 4.4% deficit in 2024.

The fiscal slippage and emergency measures have clouded Macron's reputation as a reformer capable of solving France's long term financial challenges with tax cuts and reforms to spur economic growth.

The country will run the gauntlet of more ratings reviews in the coming weeks from Scope, Moody's and S&P, which downgraded France earlier this year. France's latest budget plans have also received criticism from the country's fiscal watchdog, the High Council of Public Finance. It said the draft bill is "fragile" due to an optimistic growth forecast given the extent of promised tax increases and spending cuts. Fitch forecasts a deficit of



5.4% of GDP in 2025 and 2026, and said it doesn't expect the government to meet its pledge to get the gap within the EU's 3% limit by 2029. "The draft budget for 2025 that we have

just presented reflects the government's determination to realign the trajectory of public finances and control debt," French Finance Minister Antoine Armand said Friday night, commenting on Fitch's

decision. The hung parliament in France is another risk for finances. Without a majority to back the budget, Barnier will likely have to use article 49.3 of the constitution to bypass a vote in the National Assembly — a move that increases the likelihood of no-confidence motions. The leftist New Popular Front's attempt to topple the government this week failed to get enough support, but that would change if the far-right bloc led by Marine Le Pen backed a future censure motion. "High political fragmentation and a minority government complicate France's ability to deliver on sustainable fiscal consolidation policies," Fitch said. "Our baseline scenario is that the budget law will be enacted before the end of the year, but the government may need to make concessions to secure support from opposition parties."

The ratings firm said it could take further negative action on its assessment of France if the country fails to implement a fiscal consolidation plan in the medium term, due to political opposition or social pressures. It also said another reason for further action would be "materially lower economic growth prospects and weakened competitiveness."

# Fertilisers provide food for thought

By Fahad Badar

**Food supply and security will only rise as a priority globally. A major investment by QatarEnergy in fertiliser production could prove to be well-timed**

The engineering principles behind fertiliser manufacture have changed little in the more than 100 years since the German chemist Fritz Haber developed a process for converting hydrogen and atmospheric nitrogen into ammonia, which is a stock feed for agricultural fertilisers. The industrial process was needed as deposits of natural fertilisers, such as guano, or bird droppings, were running low as populations rose. A century on, the need is greater than ever, as the global population peaks. QatarEnergy has

announced a major investment into three ammonia production lines, that will supply feedstock to four global-scale urea production trains in Mesaieed Industrial City. The new facilities will more than double Qatar's output of urea - a fertiliser manufactured with ammonia as a feed product. The Qatar facility will be the world's largest manufacturing site for urea, boosting output from about 6mn tonnes per year to 12.4mn tonnes per year. Production from the new trains is expected by the end of the decade. The investment is a smart move, for several reasons. Most obviously, food will never go out of fashion. Manufacturing ammonia and urea is an energy-intensive process, requiring high temperatures and a catalyst as atmospheric nitrogen is stable and non-reactive; Qatar has an abundance of natural gas. And it will create jobs in added-value

products, helping economic diversification alongside exports of oil and gas. Qatar has a convenient location, between Asia and Africa, not far from Europe, with deep-water shipping ports and excellent air travel links. Export markets will likely proliferate. The conflict in Ukraine disrupted grain supplies, and exposed the dependency of many nations on importing food from the east European nation. Both Ukraine and Russia produce sizeable proportions of the global supply of maize, barley, wheat and sunflower oil. India has a large but inefficient agricultural sector, with many small farms, but in some states there are significant modernisation initiatives. Many African countries remain reliant on food imports, however there are pan-African institutions and initiatives that seek to increase

intra-African trade, including of agricultural produce, such as the Feed Africa initiative set up by the African Development Bank. With fertiliser manufacture and use, as with any industry, there are environmental considerations. Conventional manufacture of ammonia, known as 'grey ammonia', consumes considerable amounts of fossil fuels that release greenhouse gases. Much of the energy consumed is in producing the hydrogen, which is then fused with nitrogen to produce ammonia. 'Green ammonia' is produced with hydrogen extracted through electrolysis of water, which is a carbon-neutral process provided that renewable sources are used to generate the electricity needed. This replaces the steam-methane reforming process, which is energy-intensive. 'Blue ammonia' involves carbon-capture processing. In 2022 QatarEnergy

and the Qatar Fertilizer Company announced a major investment in blue ammonia. There is also concern over the leakage of nitrates from agricultural land into rivers, which can upset ecological balance and pollute sources of drinking water if concentrations are relatively high. Such leaching can be minimised with careful management. The European Union, for example, has a Nitrates Directive that includes a code of good practice. And while there are some environmental risks with manufacturing and using nitrogen-based fertilisers, there are environmental benefits also: Any increase in agricultural productivity means that less land has to be cultivated in order to ensure food security, so more land can be preserved as wetlands or forests, which are carbon sinks. As the global population increases,



and as more people move out of poverty to become middle class, there is no doubt that food productivity, and food security, will need to be enhanced, with more countries prioritising the issue. Responsible use of synthetic fertilisers will continue to be an essential part of this global industry.

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

# Qatar sees double-digit growth in visitors in August, says NPC

By Santhosh V Perumal  
Business Reporter

Qatar registered a robust double-digit year-on-year growth in tourists' inflow - especially from the Americas, Europe and Gulf regions this August; as its hospitality sector saw improved room yield, particularly in the four-star hotels and deluxe hotel apartment categories, according to the official estimates.

The occupancy comes amidst 328,059 visitor arrivals in August 2024. On a yearly basis, the total inflow of visitors rose 24.5% and 3.3% year-on-year and month-on-month respectively in the review period, according to the National Planning Council (NPC).

The visitors from the Gulf Co-operation Council or GCC were 133,319 or 41% of the total, Europe 70,600 (22%), other Asia (including Oceania) 65,634 (20%), Americas 28,219 (9%), other Arab countries 22,163 (7%), and other African countries 8,124 (2%) in August 2024.

On an annualised basis, the visitor arrivals from the Americas surged 56.5%, Europe by 45%, other African countries by 38.9% and the GCC by 18.4%;



The visitors from the Gulf Co-operation Council were 133,319 or 41% of the total, Europe 70,600 (22%), other Asia (including Oceania) 65,634 (20%), Americas 28,219 (9%), other Arab countries 22,163 (7%), and other African countries 8,124 (2%) in August 2024, according to the National Planning Council estimates

while those from other Arab countries declined 29.8% and other Asia, including Oceania by 7.2% in the review period.

On a month-on-month basis, the visitor arrivals from Europe shot up 29.7%, Americas by 23.3%, other African countries by 18.9% and other Arab countries by 8.7%; whereas those from the GCC were down 9.1% and other Asia, including Oceania, by 1.1% in August 2024.

Qatar's hospital-

ity sector saw a 3.64% year-on-year increase in revenue-per-available room to QR228 as occupancy improved by 7% to 60%, while average room rate fell by 8.7% to QR378 in August 2024.

The four-star hotels saw a 13% higher occupancy to 63% and revenue per available room rose by 5.88% to QR126; whereas average room rate plunged 15.68% to QR199 in August 2024.

The deluxe hotel apartments registered a 15% surge in oc-

cupancy to 70% and revenue per available room by 23.68% to QR235 although there was 2.89% shrinkage in average room rate to QR336 in the review period.

However, the five-star hotels' room yield shrank 3.06% year-on-year to QR285 despite 4% rise in occupancy to 53% amid 8.74% contraction in average room rate to QR543 in the review period.

The three-star hotels' occupancy shot up 6% to 77%; even as

room yield was down 5.56% to QR119 and average room rate by 13.97% to QR154 in the review period.

The two-star and one-star hotels' occupancy declined by 5% to 84%, room yield by 11.76% to QR120 and average room rate by 7.19% to QR142 in August 2024.

In the case of standard hotel apartments, occupancy tanked 20% to 52%, room yield by 30.86% to QR112 and average room rate by 4% to QR216 in August 2024.



The meeting of Undersecretaries of Commerce and Industry to discuss measures to boost intra-GCC trade

## Qatar pitches for efforts to boost intra-GCC trade

Qatar yesterday pitched for enhanced growth in trade among the Gulf Co-operation Council (GCC) countries by eliminating obstacles to foster economic and trade integration as well as raise the level of intra-GCC trade.

This was articulated by Mohammed bin Hassan al-Malki, Undersecretary of Qatar's Ministry of Commerce and Industry, at the 59th meeting of the Committee of Undersecretaries of Commerce and the 45th meeting of the Committee of Undersecretaries of Industry of the GCC.

Highlighting the need to explore new opportunities for the development of the private sector as a cornerstone for the growth of the GCC economies, he emphasised the pivotal role of the industrial sector in contributing to the gross domestic product of the GCC, supporting economic diversification strategies and achieving sustainable development.

Qatar has effectively advanced initia-

tives to strengthen industrial, commercial, and investment co-operation across the GCC, driving the region closer to its goal of full integration for the benefit of its people, he said.

The meeting, which saw the presence of Khalid bin Ali al-Sunaidi, Assistant Secretary-General for Economic and Development Affairs of the GCC Secretariat General, is continuation of efforts to enhance Gulf co-operation and integration, especially in light of global economic challenges such as the economic slowdown and supply chain disruptions.

The Undersecretaries of Commerce and Industry discussed a range of key issues of mutual interest, as outlined on their agenda. The resulting recommendations have been submitted to the Ministers of Commerce and Industry of the GCC countries, for approval and for the necessary decisions to be made during their upcoming meetings.

## Workshop spotlights on combating 'proliferation financing' of weapons of mass destruction

By Pratap John  
Business Editor

A workshop hosted by the National Committee for Combating Money Laundering and Terrorism Financing, in co-operation with the Middle East and North Africa Financial Action Task Force (MENAFATF) in Doha yesterday provided a comprehensive understanding of combating the financing of the proliferation of weapons of mass destruction, its mechanisms, and to help identify and assess the associated risks.

The workshop was titled 'Investigation and Prosecution in the Field of Countering the Financing of the Proliferation of Weapons of Mass Destruction'.

The workshop also seeks to offer insights into the international legal framework governing proliferation financing, including relevant international organisational resolutions and recommendations from the Financial Action Task Force (FATF), which will enrich participants' practical experience.

In his opening remarks at the workshop, Essa al-Hardan, Secretary of the National Committee for Combating Money Laundering and Terrorism Financing in Qatar and Head of the Technical Assistance and Typologies Working Group at MENAFATF, stressed that the proliferation of weapons of mass destruction posed a significant threat to global peace and security.

He noted that the international community has focused on proliferation financing for nearly two decades, recognis-



Essa al-Hardan.

ing the need to implement financial measures to prevent the spread of these weapons, based on UN Security Council Resolution 1540 of 2004.

In 2008, the Financial Action Task Force addressed proliferation financing by adopting an application report that identifies and analyses the current threat of proliferation financing, as well as the methods used by those involved in proliferation and its facilitators.

Since 2012, FATF has worked to enhance and refine its recommendations to provide countries with more effective tools to combat the financing of weapons of mass destruction. Regarding national responses, judicial authorities worldwide have varied in their handling of this

issue, with many displaying deficiencies in the framework and implementation of counter-proliferation measures. For example, mutual evaluation reports have highlighted that the majority of jurisdictions do not specifically address proliferation financing separately from other financial crimes, such as terrorism financing or money laundering.

Accordingly, al-Hardan affirmed that the workshop will assist participants from MENAFATF member states in taking actions and measures to meet the requirements of combating the financing of proliferation, enhancing investigative frameworks, supporting relevant authorities in fulfilling their duties, and establishing sound practices in this field.

It will also help develop a broader understanding of FATF standards, relevant Security Council resolutions, and the importance of effective tracking and prosecution of proliferation financing crimes, in addition to emphasising the need for widespread and effective application of targeted financial sanctions.



Participants of a workshop hosted by the National Committee for Combating Money Laundering and Terrorism Financing, in co-operation with the Middle East and North Africa Financial Action Task Force in Doha.

