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Ooredoo Qatar to transform workforce productivity and customer engagement

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GULF TIMES
BUSINESS

ECONOMIC RELATIONS : Page 2

Qatar Chamber participates in Islamic Chamber meetings in Istanbul

QNB Group announces 'successful refinancing' of Euro 1bn senior unsecured syndicated term loan facility

QNB Group announced the successful refinancing of its Euro senior unsecured syndicated term loan facility.

QNB's Group CEO, Abdulla Mubarak al-Khalifa, commented: "This refinancing saw strong interest from both global and regional banks, allowing QNB to further expand its investor base. The transaction was significantly oversubscribed at competitive pricing, despite the challenging global market conditions, which reinforces our reputation as a high-quality borrower.

"We view this transaction as a clear affirmation of our effective strategy to position ourselves as a leading bank in MEASEA, while building valuable and lasting relationships."

The Euro 1bn facility, with a maturity of three years, was well supported by both regional and international banks with some 23 institutions joining the syndication allowing a substantial oversubscription.

The syndication was led by Credit Agricole Corporate and Investment Bank, Societe Generale and Standard Chartered (the bookrunners and initial mandated lead arrangers). Standard Chartered acted as the documentation co-ordinator and Societe Generale as facility agent.

QNB Group stands as the leading financial institution in the Middle East and Africa, recognised as one of the most valuable banking brands in the region.

With a robust presence in some 28 countries across three continents, Asia, Europe, and Africa; QNB offers comprehensive financial services and solutions.

QNB's team of over 31,000 professionals is dedicated to driving growth and providing advanced, tailored products and services that meet the evolving needs of customers worldwide.

QNB Group stands as the leading financial institution in the Middle East and Africa, recognised as one of the most valuable banking brands in the region

Sheikh Khalifa bin Jassim al-Thani, Qatar Chamber Chairman.

Qatar Chamber implements fee reduction from today

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani has announced that Cabinet Decision No 19 of 2024 on the reduction of some of the chamber's service fees will be implemented from October 20.

The Cabinet Decision was ratified by His Highness the Amir Sheikh Tamim bin Hamad al-Thani and published in the Official Gazette.

Sheikh Khalifa expressed confidence that the chamber's fee reduction will help alleviate some of the Qatari companies' financial burdens, stimulate the establishment of new businesses, and encourage investment across various sectors.

According to the decision, the chamber's annual membership fees for shareholding companies, holding companies, and foreign companies involved in contracts with the state will be QR5,000, reflecting a 50% reduction.

For limited liability companies, general partnership companies, simple partnership companies, joint venture companies, and partnerships limited by shares, the annual membership fees will be set at QR500, regardless of the company's capital or type of activity. For each branch, a 10% fee of the annual subscription fee is added upon renewal of membership.

The fees for authentication and certification services are as follows: approval of a commercial invoice, QR50; issuance of a certificate of origin, QR50; issuance of To Whom It May Concern certificate, QR50; signature attestation, QR50; each additional copy of any of these transactions, QR50; and each duplicate copy, QR10.

The decision also outlined the fees for the issuance of the ATA Carnet for one visit are set at QR1,000 for chamber members and QR2,000 for non-members. For transit cases or visits to more than one country, the fees are QR100 per additional country for chamber members and QR200 per additional country for non-members.

If multiple pages are required in the ATA Carnet, the fee is QR25 for each additional page for members and QR50 for each additional page for non-members, while the fee for cancelling the ATA Carnet is QR500. The fees for urgent issuance are as follows: within 24 hours, QR500; within 48 hours, QR400; and within 72 hours, QR250. According to the decision, the arbitration request fee will be 1/1000 (or 0.001) of the dispute's value, with a minimum fee of QR2,000.

Qatar's property market offers strong value now: Commercial Bank CEO

By Pratap John
Business Editor

Real estate investors can find strong value in Qatar's property market, as the government implements strategic measures to boost the sector, and prices become more attractive compared to international markets, says Joseph Abraham, Group CEO of Commercial Bank.

"Qatar's real estate prices, given the quality, location, and finishing standards, offer exceptional value. When compared to markets like Dubai, Saudi Arabia, and other global hubs, property prices in Qatar remain reasonable. This means investors are truly getting value for their money," Abraham said in an interview with *Gulf Times*.

Abraham noted that Qatar's residential market has undergone a "significant correction" over the past six years.

"There is more upside than downside. The outlook is more positive than negative, with the commercial segment also experiencing corrections. We anticipate the market to stabilise at current levels in the near term."

Regarding residential properties, Abraham remarked, "The sector's growth potential will be driven by demand. While there are currently active buyers in the market, the expected government initiatives will stimulate a substantial uptick in activity. The government is taking the right steps, and all the necessary elements are in place, giving me reason to be optimistic."

He highlighted that Dubai, a neighbouring real estate hotspot, attracted approximately $100bn in real estate investments last year, following the issuance of 158,000 Golden Visas.

Abraham dismissed concerns about a potential real estate bubble in Qatar, stating, "There is no bubble. A bubble is reflected in surging prices, demand exceeding supply and flipping of properties before completion. None of those factors are present in the Qatar real estate market. The market saw a surge in demand leading up to the FIFA World Cup Qatar 2022, particularly between 2013 and 2016. Since then, prices have adjusted significantly, eliminating any potential of a bubble."

Commercial Bank Group CEO Joseph Abraham. **PICTURE:** Thajudheen

On the real estate exposure of local banks, Abraham said, "Qatar's banking sector has around 16% exposure to real estate, which aligns with international standards. While the composition may differ — with individual mortgages being more prevalent internationally and commercial funding largely sourced from institutional investors such as pension funds and private equity — the overall exposure is consistent for the banking sector."

On the potential impact of global interest rate trends, Abraham commented, "A decrease in interest rates, spurred by revisions from the US Federal Reserve, could serve as a catalyst for the real estate market. Lower rates would reduce debt service ratios, making home-ownership more accessible and attractive to a broader range of people."

He further explained, "Monthly expenses are a key factor in consumers' decision-making process, especially for significant purchases. Interest rates directly influence these outflows, particularly in the early years of a mortgage. This makes interest rates a critical factor for the real estate sector, not just in Qatar, but globally."

Speaking about Commercial Bank's mortgage portfolio, Abraham noted, "We were the first bank to collaborate with the UDC and promote Qatar's real estate offerings to non-residents in some 10 key international markets including Singapore, Hong Kong, France, United Kingdom, India, Saudi Arabia and the UAE, encouraging foreign buyers to invest in Qatar property. Our mortgage solutions cater to non-residents, residents, and nationals, including young Qataris. We even offer green mortgages to support sustainable building initiatives, reflecting our commitment to a sustainable and diversified mortgage portfolio."

When asked about customer response, Abraham acknowledged, "Building international market awareness of the attractiveness of the Qatar real estate market takes time, but we have already seen significant interest from both non-residents and long term residents. Educating the market, offering the right products, and effective marketing are all essential components of our strategy." Page 8

GWC named 'Sustainability Leader' by *Forbes Middle East*

Gulf Warehousing Company (GWC) has achieved a new milestone, ranking ninth regionally in the transport and logistics category on *Forbes Middle East*'s Sustainability Leaders 2024.

The prestigious list recognises some 105 companies leading impactful sustainability initiatives across the region.

GWC Group Managing Director Sheikh Abdulla bin Fahad bin Jassim bin Jaber al-Thani said: "This recognition underscores GWC's steadfast commitment to environmental, social, and governance (ESG) standards and highlights the success of our sustainability efforts.

"Our strategy encompasses integrating ESG principles into all aspects of operations, aligning with Qatar's Third National Development Strategy (2024-2030), Qatar National Vision 2030, the National Environment and Climate Change Strategy, and the United Nations Sustainable Development Goals (SDGs)."

He noted, "GWC's dedication to sustainability positively reinforces the brand power and impact, further enhancing our presence in regional markets. Being recognised among Middle East's Sustainability Leaders serves as a testament to our unwavering commitment to providing the best logistics solutions and sustainable supply chain, in line with Qatar National Vision 2030.

"Key initiatives include collaboration with Biobin to convert organic waste into fertiliser, which in turn is donated locally, beach clean-ups, tree planting, recycling wooden pallets, energy and water conservation, paperless processes, vehicle route optimisation, reduce-reuse-recycle initiatives, energy conservation (including natural and energy-saving lighting initiatives), and resource consumption optimisation. Notably, GWC's Regional Logistics Hub in Ras Bufontas Free Zone was developed in accordance with the GSAS standard."

He added: "GWC is committed to sustainability, striving to foster environmental awareness within the community while integrating best practices in sustainability and social responsibility into our business model. Recently, the company joined the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative, aligning itself with over 23,000 companies from 166 countries worldwide committed to promoting responsible business practices and SDGs."

The list spans 12 major corporate sectors, with rankings based on a detailed assessment of each company's sustainability efforts. *Forbes Middle East* compared initiatives within each sector, factoring in ESG reporting, greenhouse gas emissions, waste management, water and energy usage, and the adoption of renewable energy and energy-efficient technologies. Only initiatives led by companies in the Middle East were considered.

In the second edition of the Middle East's Sustainability Leaders, *Forbes* presents companies and leaders involved in moving the region closer to achieving its sustainable agenda through promoting sustainable goals, cultivating regional collaboration, and embracing innovative initiatives, aiming to redefine the future.

In addition to its commitment to sustainability, GWC has been at the forefront of the logistics industry, offering a comprehensive range of services that include freight forwarding, contract logistics, project logistics, and supply chain solutions.

Through its state-of-the-art facilities, strategic partnerships, and robust infrastructure, the company supports both economic development and provides seamless, efficient logistics solutions across various industries.

GWC Group Managing Director Sheikh Abdulla bin Fahad bin Jassim bin Jaber al-Thani

BUSINESS

QCB governor meets executives of BlackRock, Chernin Group, General Atlantic



HE the Governor of the Qatar Central Bank (QCB) and Chairman of the Qatar Investment Authority Sheikh Bandar bin Mohammed bin Saoud al-Thani met, during his visit to New York, with Larry Fink, Chairman and CEO of BlackRock, one of the world's largest investment management firms. The meeting focused on key global financial and investment trends. Sheikh Bandar also held bilateral meetings with Peter Chernin, co-founder and partner of Chernin Group; and William Ford, Chairman and CEO of General Atlantic. The two meetings focused on significant global financial and investment trends.

Qatar Chamber participates in Islamic Chamber meetings in Istanbul

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani has led a delegation that participated in the 37th meeting of the Board of Directors, the 40th meeting of the General Assembly, and the 3rd meeting of the Executive Committee of the Islamic Chamber of Commerce and Development (ICCD), held recently in Istanbul.

The chamber's delegation included board members Dr Mohamed bin Jawahar al-Mohamed, Abdulrahman Abduljaleel al-Abdulghani, and Abdulla bin Mohamed al-Emadi. The meetings focused on economic and commercial relations among Islamic countries and means to enhance them,

The agenda of the board of directors meeting included several topics, such as proposals to establish a specialised institution for women's economic empowerment and an institution for entrepreneurship. It also reviewed a proposal regarding the Islamic Chamber's membership as a general observer in the UN Conference on Trade and Development (UNCTAD), along with the objectives and features of the halal strategy.

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani during one of the meetings held in Istanbul.

Sheikh Khalifa lauded the ICCD's key role in fostering economic and trading co-operation among Islamic countries, emphasising that they are rich in natural and human resources. He underscored Qatar's support for enhancing economic co-operation among Islamic countries, noting that these countries can improve their competitiveness in global markets by establishing strong partnerships and developing effective trade agreements.

He pointed out that concerted efforts in this regard not only contribute to economic growth but also strengthen cultural and social ties between these nations, bringing mutual benefits to their peoples. Sheikh Khalifa also emphasised Qatar Chamber's support for all efforts to strengthen co-operation among member chambers to increase Islamic intra-trade, which remains below expectations.

Dubai's Gateway seeks buyer for Tim Horton Gulf franchise stake

Bloomberg
Dubai

Dubai-based private equity firm Gateway Partners is considering selling its stake in the Gulf franchise of Tim Hortons Inc, four years after its initial investment in the Canadian coffee chain, according to people familiar with the matter.

Gateway is working with BNP Paribas SA on the sale which is expected to receive non-binding bids in the coming weeks, the people said, declining to be named because the information is private. The plans are at an early stage and could still change, they said. Spokespeople for Gateway and BNP Paribas declined to comment.

Buoyed by a growing middle class with more purchasing power, regional retail companies have increasingly become attractive to overseas investors. The owner of T.J.Maxx recently acquired a stake in Dubai-based discount retailer Brands for Less, and cosmetics firm Huda Beauty is considering selling its perfume division, Bloomberg News reported last month.

Gateway in 2020 paid about $50mn for a 40% stake in Tim Hortons' regional franchise, which has roughly 338 outlets across the Gulf including in Saudi Arabia and the United Arab Emirates, and India.

The first regional Tim Hortons cafe opened in Dubai in 2011 but has since expanded, more than doubling the number of outlets in the years since Gateway's investment. The franchise is owned by AG Cafe International, a joint venture entity owned by Dubai-based retail conglomerate Apparel Group and Gateway.

Japanese financial conglomerate SBI Holdings Inc and former Federal Reserve official Roger Ferguson recently bought minority stakes in Gateway, which was co-founded in 2014 by former Standard Chartered Plc top executive Viswanathan Shankar.

Global health funders look to Gulf states as Europe pulls back

Bloomberg
New York

Gulf states are increasingly being asked for healthcare funding as concern grows over the ability of traditional European donors to continue meeting contribution needs.

At least five major funds, including some that help finance childhood immunisations and research for cures for diseases that kill millions of people each year, are seeking to replenish their coffers with about $100bn by the end of next year. That's creating a so-called traffic jam that threatens the future of global health financing and with it, the world's health security.

Simultaneously, aid budgets for countries including Germany, the UK and France are either declining or likely to do so, with economic challenges, conflict and climate change making the pitch for more cash for global health a harder sell.

Gavi, the global vaccine alliance, was one of the first to go to donors this year asking for funding. So far, it's raised a third of the $9bn it needs.

"The resource constraints are a challenge and the traditional G-7 donors have competing priorities," Chief Executive Officer Sania Nishtar said in an interview in Berlin. Nishtar was attending a global health summit where the World Health Organisation confirmed it had raised almost $1bn — even as it still needs more than $6bn to reach its goal.

Gavi, which helps bring vaccines for diseases such as cholera and measles to children in the world's poorest countries, is "tapping the donors that have not traditionally supported it in a massive way," Nishtar said. This includes Saudi Arabia and the United Arab Emirates.

When Gavi formed in 2000, its donors were mostly western nations. Now Saudi Arabia, Qatar, Kuwait, Oman and Bahrain have pledged $267mn, part of a broader trend of Arab Gulf states becoming more prominent in multilateral humanitarian funding.

Nishtar is "cautiously optimistic" that Gavi will meet its funding requirements. The US has already pledged $1.58bn toward the latest round. Countries including the UK and Germany have indicated that they will at least maintain previous commitment levels, even as formal pledges have yet to materialise.

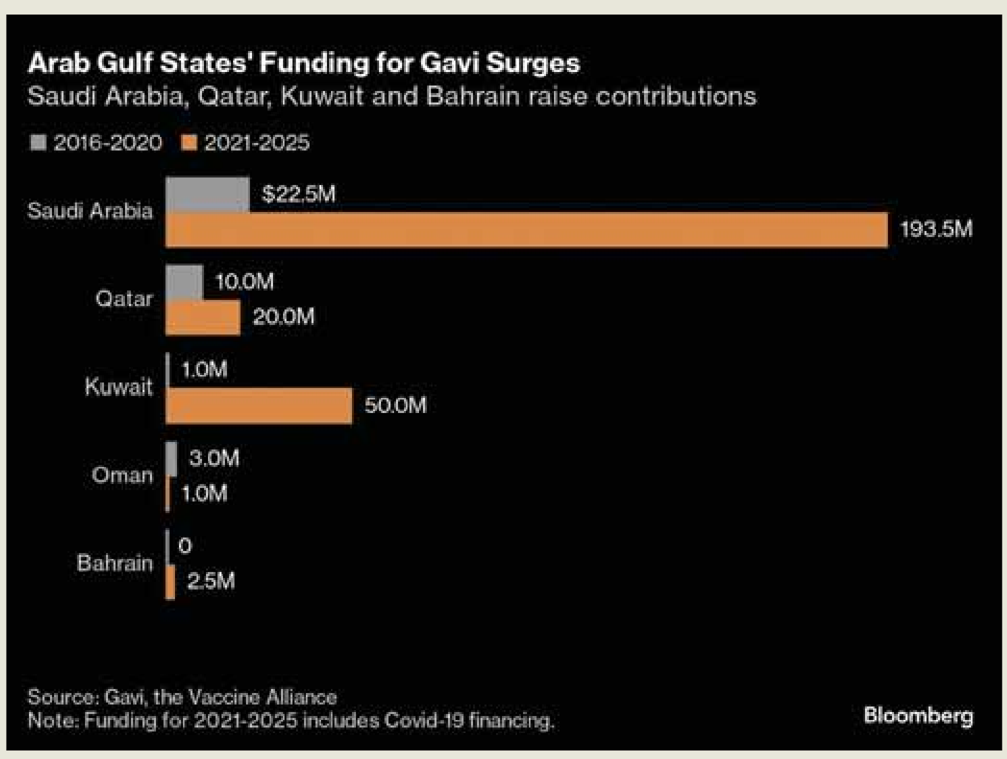
The Global Fund to Fight Aids, Tuberculosis and Malaria, which faces a fresh round of fundraising next year, saw pledges from Saudi Arabia, Qatar, Kuwait and the UAE quadruple in its last funding period.

The Arab Gulf states are an important region for the Global Fund, Dianne Stewart, head of its donor relations department, said in an interview. While the nonprofit has been working with some of these countries for two decades, some of the funding from Gulf countries has recently increased, she said.

"Across the board, foreign aid budgets are under immense pressure," said Janeen Madan Keller, deputy director of the Center for Global Development's global health-policy programme. "Many of the major traditional donors are slashing their aid budgets."

One strategy to fill what's ceded by traditional donors is to lean on new funders, she said. "Collectively, the group of Gulf donors have been a set of rising players that are worth watching," she said.

Despite their growing role, the Arab Gulf states remain small donors for Gavi and the Global Fund.



US equity bears are no match for FOMO+TINA

By Jamie McGeever
Orlando, Florida

FOMO and TINA are two English-language acronyms that have become common parlance in financial markets. Together, they help explain the relentless rise of US equities — a trend that now should probably be raising red flags.

Investors' "fear of missing out" (FOMO) on a two-year bull run has helped the S&P 500 hit 47 record highs this year. And this momentum shows few signs of waning because if investors want equity exposure, "there is no alternative" (TINA) to the US, at least not if the relative strength of US economic data and corporate profits is your guide.

In many ways, the latter trend is feeding the former, and the symbiotic relationship between the two only seems to be getting stronger.

The S&P 500 and Nasdaq are both up more than 20% this year, compared to 16% for Japan's Nikkei, 14% for Chinese blue chips and Asian stocks ex-Japan, 10% for euro zone stocks, and 8% for Britain's FTSE 100.

Wall Street's outperformance has, of course, been flattered by a handful of Big Tech names: the FAANG index is up a whopping 34% this year. But the equal-weighted S&P 500's year-to-date gains of 15% are still better than investors are getting almost anywhere else.

While these lopsided returns might suggest US equities are "overbought", the underlying fundamentals suggest otherwise.

The Atlanta Fed's GDPNow model is currently projecting third quarter annualized growth of 3.4%, the highest since the model's initial estimate in July.

Corporate America also boasts a very positive outlook. While earnings growth is only expected to be around 5% in the third quarter, this figure is expected to bounce back well into double figures in the coming quarters and settle around 15% for 2025 overall, according to LSEG I/B/E/S estimates.

Little wonder Goldman Sachs' equity strategists reckon the S&P 500 is on course to reach 6,000 points by the end of the year. It could even reach 6270 if markets see a replication of historical October-December election year patterns, they add.

Meanwhile, Germany — the largest economy in Europe and fourth largest in the world — is flirting with its second consecutive annual contraction, something the advanced manufacturing hub hasn't seen in over 20 years.

China — the world's second-largest economy — is in the midst of a major property crisis and flirting with deflation. This has prompted an unprecedented policy response from Beijing that many experts still don't think will be enough to get the economy firing on all cylinders.

Then there's Japan, which appears to be so concerned about stalling its economy and spooking investors that it's hesitant to raise interest rates by more than a few basis points.

Foreign investors have clearly taken notice: their share of the entire US equity market is now a record 18%, Goldman Sachs figures show.

Is the US stock market morphing into a mirror image of the US bond market? Parallels are emerging: they are both the most liquid markets in their respective asset classes; they offer investors the 'safest' securities; and they dwarf all rivals by a considerable distance.

Indeed, Wall Street has been a veritable money machine for investors this year, especially the mega caps sitting on huge cash piles and boasting credit ratings comparable to those of the federal government.

It's therefore unsurprising that the US share of the global equity market cap has climbed to a record high 72%. Who wouldn't want a slice of that pie? This level of concentration cannot last forever, so investors should be wary of buying US equities at current levels, right? Maybe, but maybe not.

True, US stocks are the most expensive in the developed world by some distance, based on long-term valuations measured by Robert Shiller's cyclically adjusted price-to-earnings (CAPE), and are more expensive than they have been relative to global stocks for more than two decades.

But, worryingly for US bears, investors are unlikely to dramatically reallocate any time soon. "Institutional investors are getting forced into the market right now given 'FOMU': fear of materially underperforming benchmark equity indices," Goldman's Scott Rubner wrote this week, providing investors with yet another acronym.

And bull markets that celebrate their second birthday have historically tended to last multiple years thereafter, Ryan Detrick at Carson Group has found.

So US bears might be correct that equity markets will eventually mean revert, but these investors risk underperforming and losing clients long before that happens.

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

Banks put up strong earnings, pushing stocks beyond 2023 levels

Bloomberg
New York

It's been a long hard climb, but a better-than-expected earnings season is propelling bank stocks on Wall Street back to levels not seen since before the 2023 regional banking crisis, signalling that investors have finally regained confidence in the finance industry.

The KBW Banking Index is up 5.9% since banks started reporting results on October 11, reaching its highest level this week since March 2022.

The gains have pushed the gauge up 28% in 2024, outperforming the S&P 500 Index and putting it on track for its best year since 2021 after plunging 24% in 2023.

"The one word that sums up the quarter is inflection," said Wells Fargo & Co analyst Mike Mayo. "Banks are at a multi-year inflection point from negative to positive earnings growth."

An external view of the New York Stock Exchange. A better-than-expected earnings season is propelling bank stocks on Wall Street back to levels not seen since before the 2023 regional banking crisis, signalling that investors have finally regained confidence in the finance industry.

Catalysts driving this tipping point include capital markets waking up again, the end of a period of peak bank regulation and the start of the first Federal Reserve interest rate-cutting cycle in five years.

Indeed, the latest slate of results indicate that banks are thriving even as the rates they charge borrowers come down.

The broader market is rallying as well, with the S&P 500 hitting 46 record closing highs this year alone. "Almost across the board results have been better-than-expected and the stock prices have reacted accordingly," Barclays analyst Jason Goldberg said. "It was clearly a strong quarter for markets in general, equity markets were up, fixed income markets were up and the banks were a beneficiary of that." Wells Fargo shares gained for 10 consecutive trading sessions as of Thursday, their longest winning streak ever, to trade at the highest level since 2018. Morgan Stanley has also been at the top of the pack, with its stock soaring 6.5% mid-week for its best day since November 2020, after the investment bank posted a 32% profit surge in the third quarter.

Despite dipping slightly on Friday, Morgan Stanley and Wells Fargo notched gains of 7.9% and roughly 11% respectively since reporting their third-quarter results.

Universal banks and trusts are putting up the most impressive results because of the gains in investment banking and trading, the re-acceleration in wealth flows, and the strong growth in wealth loans and sweep deposits, Wolfe Research analyst Steven Chubak wrote in a note on October 16.

That said, smaller regional banks like M&T Bank Corp, Western Alliance Bancorp and US Bancorp also rose after reporting positive earnings this week.

However, gains weren't uniform across the sector. Citigroup notably closed down 5.1% on Tuesday after its earnings showed net interest income fell short of expectations.

Consumer groups ask FTC to block Novo Holdings, Catalent deal

Reuters
New York

US consumer groups and two large labour unions urged the US Federal Trade Commission (FTC) on Thursday to block Novo Holdings, the controlling shareholder of Novo Nordisk, from acquiring contract drug manufacturer Catalent, saying the deal threatens competition in weight loss drugs and cutting-edge gene therapies.

US Public Interest Research Group, Service Employees International Union (SEIU) and others expressed concerns in a letter to the FTC about the $16.5bn deal, which Novo Holdings has said would boost supply of Wegovy, Novo's blockbuster GLP-1 injectable weight-loss drug.

Last week, US Senator Elizabeth Warren, a Democrat, called on the FTC to look closely at the deal over similar concerns. The deal could constrain options for competitors such as Amgen, Pfizer, Roche, and AstraZeneca, who are reportedly developing their own GLP-1 drugs, the groups said.

"Because of the proposed acquisition, there is a real question of whether these future rivals to Novo will be able to secure the expertise to bring the product to market and have available and qualified capacity to manufacture these products when they commercially launch," the groups said.

Viking Therapeutics, Structure Therapeutics and Sun Pharma also have GLP-1 drugs in development and could be affected, the groups said.

A Viking spokesperson declined to comment. The other companies did not immediately respond to requests for comment on Thursday.

According to the terms of the deal, Novo Holdings would sell three of Catalent's factories, where injection pens are filled in sterile conditions, in Italy, Belgium and the US, on to Novo Nordisk for $11bn.

Novo Nordisk has said it is committed to honouring existing contracts at the plants, and that it is not aware of any competitive GLP-1 products being manufactured for commercial sale at the three sites.

The groups, which included Consumer Action, diabetes group Beta Cell Action, Doctors for America and the American Federation of State, County and Municipal Employees (AFSCME) union, also expressed concern that Novo Holding's ownership could affect Catalent's capacity to manufacture gene therapies. AFSCME represents around 1.6mn public sector workers, and SEIU has around 2mn members who work in healthcare, the public sector and property services.

"The competitive concerns here go far beyond existing drugs. We believe the commission should look at the impact on future therapies including gene therapy," said David Balto, the antitrust lawyer who represents the groups and drafted the letter.

US interest burden hits 28-year high, escalating political risk

Bloomberg
New York

The US debt interest-cost burden climbed to the highest since the 1990s in the financial year that's just ended, escalating the risk that fiscal worries limit the policy options for the next administration in Washington.

The Treasury spent $882bn on net interest payments in the fiscal year through September — an average of roughly $2.4bn a day, according to data the department released on Friday. The cost was the equivalent of 3.06% as a share of gross domestic product, the highest ratio since 1996.

Historically high budget deficits, which caused total debt outstanding to soar in recent years, are a key reason for the increase. Those deficits reflect a steady rise in spending on Social Security and Medicare, as well as the extraordinary spending the US unleashed to battle Covid and constraints on revenue from sweeping 2017 tax cuts. Another big driver: the inflation-driven surge in interest rates.

"The higher interest costs are, the more politically salient these issues are," said Wendy Edelberg, director of the Brookings Institution's Hamilton Project. It raises the chance of politicians recognizing that "funding our spending priorities through borrowing is not costless," she said.

While neither former President Donald Trump nor Vice-President Kamala Harris has made deficit reduction a central element of their campaign, the debt issue looms over the next administration nonetheless. With Congress heading for a narrow partisan split, it could only take a handful, or potentially lone, deficit-wary legislator to stymie tax and spending plans.

That scenario was already seen in the outgoing Biden administration, when then-Democrat Joe Manchin forced a scaling back of spending items the White House favoured as the price for passing signature legislative packages in 2021 and 2022. Even if Republicans take control of both chambers, and Trump takes the White House, the likely narrowness of the majority could leave GOP fiscal hawks with the power to demand changes to sweeping tax cuts.

"It would just be remarkable if what came out of the tax debate next year was a whole group of policymakers looking at our debt trajectory and deciding just to make it worse," said Edelberg, a former chief economist at the Congressional Budget Office.

The net interest bill exceeded the Defense Department's spending on military programs for the first time, according to data from the Treasury Department and the Office of Management and Budget.

It also amounted to about 18% of federal revenues — almost double the ratio from two years ago.

The Federal Reserve's shift to lowering rates is offering some relief to the Treasury. The weighted average interest on outstanding US debt was 3.32% at the end of September, marking the first monthly decline in nearly three years.

Even so, the scale of the interest costs is now so large that they are by themselves adding to the overall debt load held by the public, which stands at $27.7tn — approaching 100% of GDP. Debt servicing was among the fastest growing parts of the budget last year. Spending on interest also risks weighing on economic growth by crowding out private investment.

The nonpartisan CBO estimates that every additional dollar of deficit-financed spending reduces private investment by 33 cents.

"From a variety of standpoints, the fact that the interest costs are growing the debt and causing other economic ramifications is a problem for our economy," said Shai Akabas, executive director of the Bipartisan Policy Center's Economic Policy Program.

Treasury Secretary Janet Yellen has played down concerns, saying that the key metric to track in assessing US fiscal sustainability is inflation-adjusted interest payments compared with GDP. That ratio has jumped the past year, but the White House sees it stabilizing at about 1.3% over the coming decade. Yellen has said it's important to stay below 2%, a level seen by some as a key threshold for sustainability.

The White House projections, however, assume passage of revenue-raising measures that the outgoing Biden administration proposed. Harris, too, has called for raising taxes on the wealthiest Americans and on corporations.

Trump says the key to addressing the fiscal outlook is yet more tax cuts, which he argues will boost economic growth, offsetting the hit to the government's bottom line.

Most economists see debt continuing to climb under either candidate. The Committee for a Responsible Federal Budget estimates the Harris economic plan would increase the debt by $3.5tn over a decade, while Trump's would send it soaring by $7.5tn.

The Qatar Stock Exchange (QSE) index increased by 224.13 points or 2.1% during the week to close at 10,733.40. Market capitalisation gained 2.3% to reach QR630.4bn from QR616.1bn at the end of the previous trading week. Of the 51 traded companies, 33 ended the week higher, 16 ended lower and two were unchanged.

Ezdan Holding Group (ERES) was the best performing stock for the week, going up by 8.6%. Meanwhile, Al Faleh Educational Holding Company (FALH) was the worst performing stock for the week, going down by 3.3%.

Qatar Islamic Bank (QIBK), QNB Group (QNBK), and Industries Qatar (IQCD) were the main contributors to the weekly index rise. QIBK and QNBK added 64.54 and 45.12 points to the index, respectively. Further, IQCD put on another 29.24 points.

Traded value during the week jumped 25.6% to QR2,453.2mn from QR1,952.7mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR346.0mn.

Traded volume rose by 6.6% to 897.6mn shares compared with 841.7mn shares in the prior trading week. The number of transactions increased 1.2% to 72,435 vs 71,222 in the prior week. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 122.1mn shares.

Foreign institutions remained bearish, ending the week with net selling of QR267.2mn vs net selling of QR54.9mn in the prior week. Qatari institutions remained bullish with net buying of QR642.0mn vs net buying of QR156.0mn in the week before. Foreign retail investors ended the week with net selling of QR108.1mn vs net selling of QR35.2mn in the prior week. Qatari retail investors recorded net selling of QR266.7mn vs net selling of QR66.0mn the week before.

YTD (as of Thursday's closing), global foreign institutions were net sellers by $49.7mn, while GCC institutions were net sellers of Qatari stocks by $333.6mn.

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QNB FINANCIAL SERVICES

Weekly Market Report

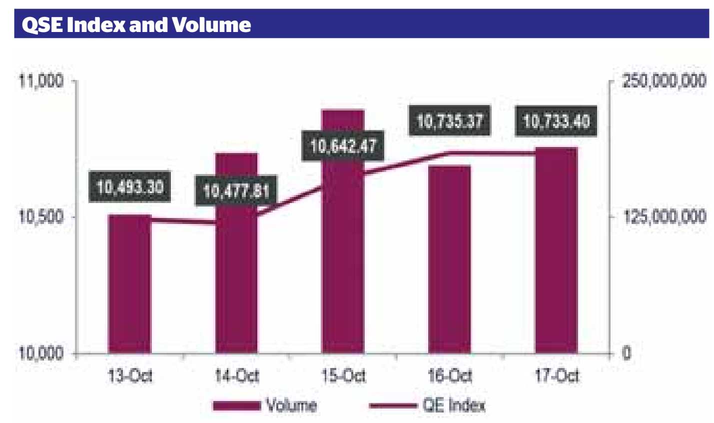
Market Indicators	Week ended. Oct 17, 2024	Week ended. Oct 10, 2024	Chg. %
Value Traded (QR mn)	2,453.2	1,952.7	25.6
Exch. Market Cap. (QR mn)	630,442.6	616,083.7	2.3
Volume (mn)	897.6	841.7	6.6
Number of Transactions	72,435	71,222	1.7
Companies Traded	51	51	0.0
Market Breadth	33:16	20:31	–

Source: Qatar Exchange (QE)

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	24,477.79	2.1	1.1	5.3
ALL Share Index	3,835.66	2.1	1.3	5.7
Banks and Financial Services	4,794.04	2.6	2.1	4.7
Industrials	4,298.71	1.1	1.1	4.4
Transportation	5,417.40	1.8	1.0	26.4
Real Estate	1,610.88	2.2	(0.8)	7.3
Insurance	2,428.40	2.0	(0.0)	(7.8)
Telecoms	1,824.51	3.9	(0.3)	7.0
Consumer Goods & Services	7,812.11	1.1	(0.3)	3.1
Al Rayan Islamic Index	4,939.08	2.0	(0.0)	3.7

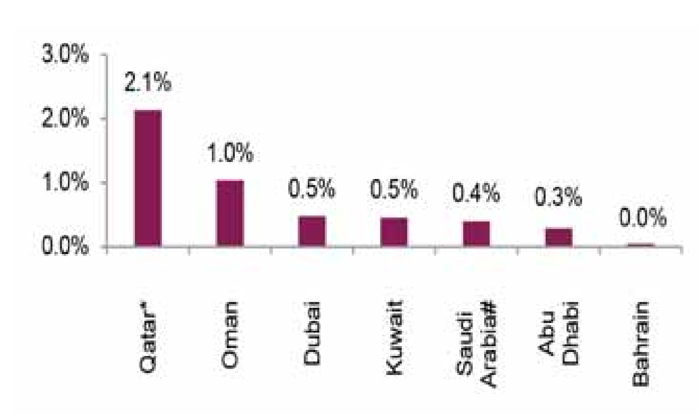
Source: Qatar Exchange (QE)

QSE Index and Volume



Source: Qatar Exchange (QE)

Weekly Index Performance



Source: Bloomberg

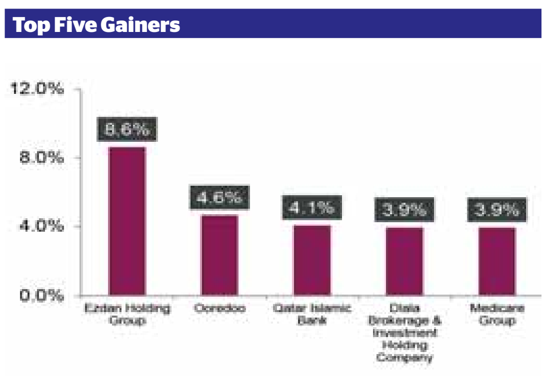
Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value ($ mn)	Exchange Mkt. Cap. ($ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,733.40	2.1	1.1	(0.9)	674.93	172,930.4	11.9	1.4	4.0
Dubai	4,458.67	0.5	(1.0)	9.8	352.50	205,440.3	8.7	1.4	5.4
Abu Dhabi	9,277.12	0.3	(1.6)	(3.1)	1,248.47	721,532.5	16.9	2.6	2.1
Saudi Arabia#	12,038.67	0.4	(1.5)	0.6	8,918.99	2,677,829.1	20.0	2.4	3.7
Kuwait	7,080.17	0.5	(0.8)	3.9	1,109.74	151,431.5	18.8	1.7	3.3
Oman	4,800.15	1.0	1.9	6.3	44.74	24,426.2	12.5	0.9	5.3
Bahrain	1,999.79	0.0	(0.6)	1.4	27.81	20,557.1	7.8	0.7	3.6

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded ($ mn) do not include special trades, if any; #Data as of October 16, 2024)

Source: Bloomberg

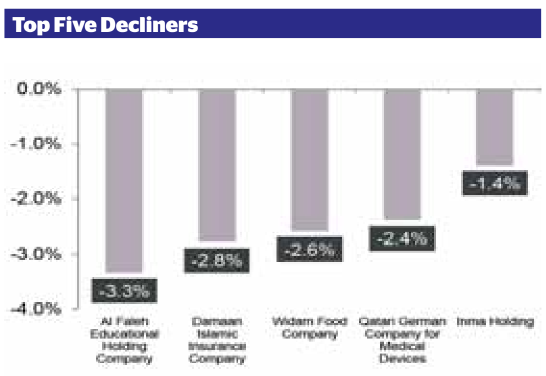
Qatar Stock Exchange

Top Five Gainers



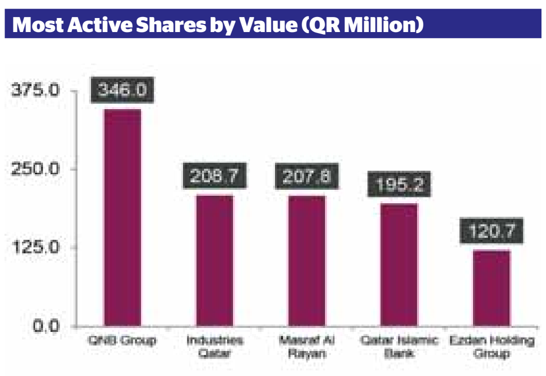
Source: Qatar Stock Exchange (QSE)

Top Five Decliners



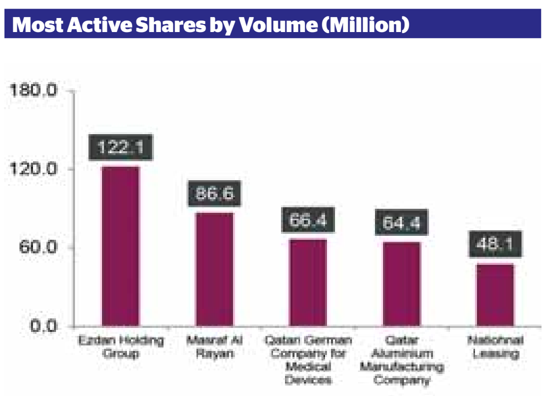
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



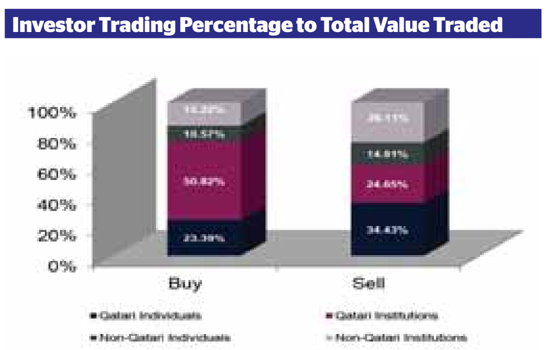
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



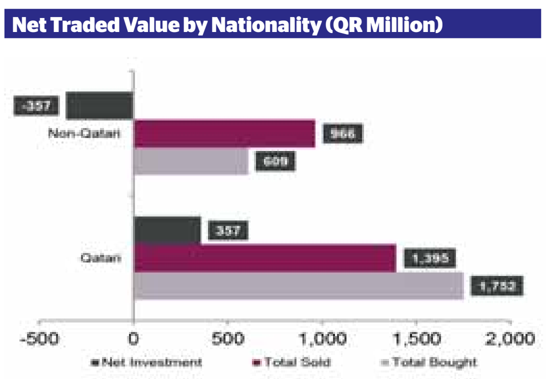
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

Company Name	Price October 17	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	17.77	2.78	7.50	164,131	10.8	1.8	3.7
Qatar Islamic Bank	21.80	4.06	1.40	51,512	12.0	2.0	2.3
Commercial Bank of Qatar	4.31	(0.55)	(30.56)	17,423	6.2	0.8	5.8
Doha Bank	1.74	0.00	(4.86)	5,398	6.8	0.5	4.3
Al Ahli Bank	3.71	0.00	2.43	9,465	11.5	1.3	6.7
Qatar International Islamic Bank	10.95	2.82	2.43	16,575	16.1	2.3	4.2
Masraf Al Rayan	2.42	2.03	(9.04)	22,460	15.4	0.9	4.1
Lesha Bank	1.39	(0.29)	4.91	1,555	14.0	1.2	N/A
National Leasing	0.81	2.01	11.52	402	23.3	0.6	3.7
Dlala Holding	1.27	3.93	(3.86)	242	496.1	1.3	N/A
Qatar & Oman Investment	0.74	1.09	(22.19)	233	N/A	1.1	N/A
Islamic Holding Group	4.19	(1.39)	1.04	237	14.8	1.5	1.2
Dukhan Bank	3.75	0.62	(5.58)	19,644	15.8	1.5	4.3
Banking and Financial Services				**309,276**			
Zad Holding	13.62	1.64	0.89	3,915	19.8	3.1	4.8
Qatar German Co. for Medical Devices	1.56	(2.39)	7.17	180	948.7	4.9	N/A
Salam International Investment	0.69	1.02	1.61	793	12.4	0.5	4.3
Baladna	1.37	0.51	12.09	2,608	15.6	1.1	5.1
Medicare Group	4.61	3.92	(16.01)	1,297	17.4	1.4	4.8
Qatar Cinema & Film Distribution	2.66	0.00	(8.17)	167	39.6	1.3	2.6
Qatar Fuel	15.40	1.65	(7.12)	15,312	14.7	1.8	5.2
Widam Food	2.64	(2.58)	11.86	475	86.5	3.0	N/A
Mannai Corp.	3.89	1.01	(7.36)	1,775	N/A	1.9	6.4
Al Meera Consumer Goods	14.50	(0.82)	5.15	2,987	16.3	1.9	5.9
Mekdam Holding Group	3.60	(0.06)	(10.27)	594	12.7	2.3	N/A
Meeza QSTP	3.38	(1.23)	17.71	2,192	36.3	3.1	2.4
Al Faleh Education Holding	0.84	(3.33)	(0.71)	202	16.2	0.8	3.7
Consumer Goods and Services				**32,497**			
Qatar Industrial Manufacturing	2.57	1.66	(14.23)	1,223	8.9	0.7	5.1
Qatar National Cement	3.69	(0.78)	(6.64)	2,408	12.9	0.8	8.1
Industries Qatar	13.38	1.98	2.29	80,949	15.5	2.2	4.6
Qatari Investors Group	1.48	0.20	(10.23)	1,834	11.8	0.6	10.2
Qatar Electricity and Water	15.90	0.89	(15.43)	17,490	11.8	1.2	3.1
Aamal	0.86	1.06	1.66	5,412	13.9	0.7	N/A
Gulf International Services	3.14	(0.98)	13.95	5,843	11.8	1.5	4.8
Mesaieed Petrochemical Holding	1.64	0.06	(8.33)	20,591	23.1	1.3	3.3
Estithmar Holding	1.78	(1.22)	(15.18)	6,049	16.4	1.2	N/A
Qatar Aluminum Manufacturing	1.28	(0.23)	(8.43)	7,154	16.2	1.1	4.7
Industrials				**148,952**			
Qatar Insurance	2.19	3.06	(15.60)	7,140	11.6	1.1	4.6
QLM Life & Medical Insurance	2.08	(0.43)	(16.73)	728	10.2	1.2	6.0
Doha Insurance	2.52	1.08	5.48	1,261	7.0	1.0	6.9
Qatar General Insurance & Reinsurance	1.45	0.55	(1.16)	1,271	N/A	0.4	N/A
Al Khaleej Takaful Insurance	2.28	0.18	(23.30)	582	8.9	1.0	5.3
Qatar Islamic Insurance	8.35	0.82	(6.21)	1,252	7.9	2.3	6.0
Damaan Islamic Insurance Company	3.88	(2.78)	(2.61)	777	10.0	1.5	4.6
Insurance				**13,010**			
United Development	1.13	0.27	5.63	3,983	11.1	0.4	4.9
Barwa Real Estate	2.84	2.01	(1.87)	11,051	9.0	0.5	6.3
Ezdan Real Estate	1.00	8.62	16.08	26,419	230.1	0.8	N/A
Mazaya Qatar Real Estate Development	0.62	0.82	(14.94)	615	N/A	0.6	4.1
Real Estate				**42,068**			
Ooredoo	11.72	4.64	2.81	37,542	12.1	1.4	4.7
Vodafone Qatar	1.85	1.37	(2.78)	7,837	13.7	1.6	5.9
Telecoms				**45,378**			
Qatar Navigation (Milaha)	11.35	1.34	17.01	12,895	12.8	0.8	3.3
Gulf Warehousing	3.50	(1.27)	11.75	205	10.2	0.8	3.1
Qatar Gas Transport (Nakilat)	4.41	2.27	25.23	24,421	15.1	2.0	3.2
Transportation				**37,522**			
Qatar Exchange				**630,443**			

Source: Bloomberg

Technical analysis of the QSE index

Source: Bloomberg

The QSE index closed up 2.13% for the week at 10,733.4 points. As expected last week, an uptick is seen on the index inside the broader flat price range. We expect further travel north from current levels in the short term. We see weekly resistance level at the 10,850 points and the support at 10,000 points.

Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator – RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

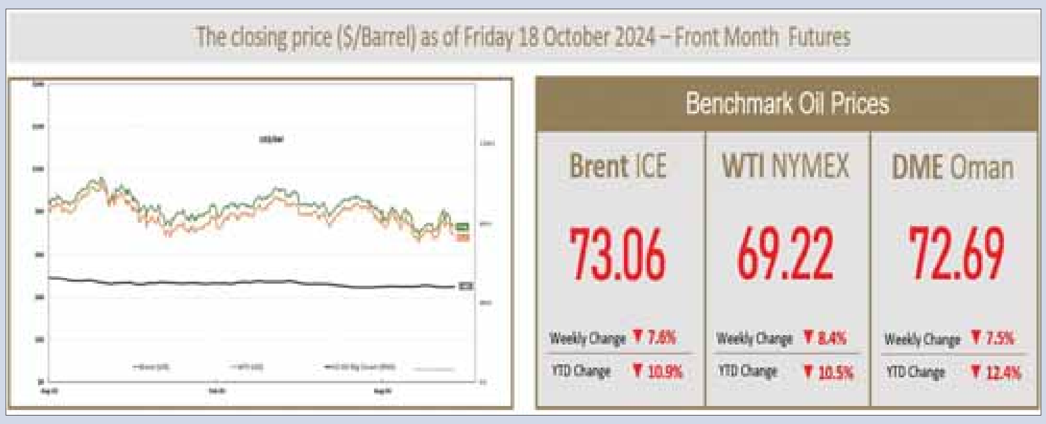
Candlestick chart – A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

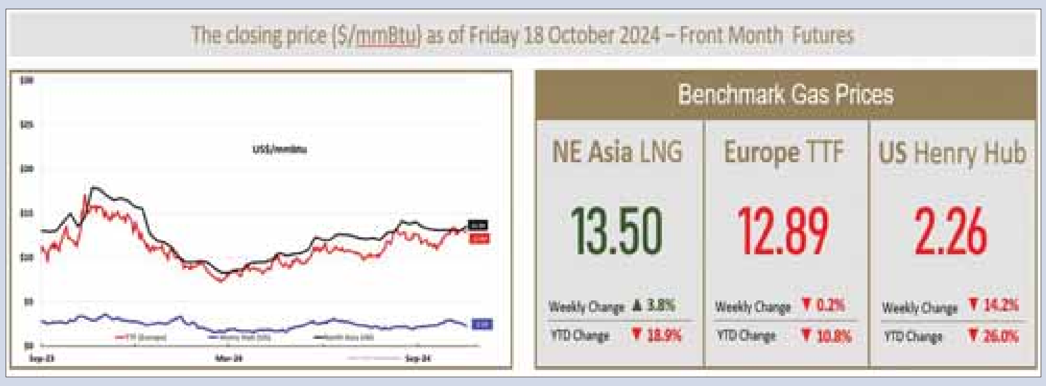
WEEKLY ENERGY MARKET REVIEW

Oil prices fall on China demand woes, mixed Mideast outlook

www.abhafoundation.org

An aerial view of oil tankers moored at an oil storage terminal in Taicang, China. Oil futures fell on Friday, declining more than 7% on the week after data showed China's economic growth slowed and investors digested a mixed Middle East outlook. *Picture supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*





Oil

Oil futures fell on Friday, declining more than 7% on the week after data showed China's economic growth slowed and investors digested a mixed Middle East outlook. Brent crude futures fell $1.39, or 1.87%, to $73.06 a barrel. US West Texas Intermediate crude settled at $69.22 a barrel, down $1.45 or 2.05%. Brent closed more than 7% lower last week, while WTI lost around 8%, marking their biggest weekly declines since September 2, when Opec and the International Energy Agency cut their forecasts for global oil demand in 2024 and 2025.

In China, the world's top oil importer, the economy grew at the slowest pace since early 2023 in the third quarter, though September consumption and industrial output beat forecasts. China's refinery output declined for the sixth straight month as thin refining margins and weak fuel consumption curbed processing.

Meanwhile, US President Joe Biden said on Friday there was an opportunity to deal with Israel and Iran in a way that potentially ends their conflict in the Middle East for a while. However, after the killing of Hamas leader Yahya Sinwar, Lebanon's Hezbollah said on Friday it was moving to a new and escalating phase as it battles Israeli troops. This dashed hopes earlier on Friday that Sinwar's death would speed up an end to escalating war in the Middle East.

Gas

Asian spot LNG gained for the first time since end-August last week, supported by emerging spot demand across the region. The average LNG price for December delivery into north-east Asia rose to $13.50 per million British thermal units (mmBtu), industry sources estimated, its first weekly gain in six weeks. Despite the spot market activity, overall market sentiment has not changed dramatically, as European gas storage levels remain above 95%, reducing competition with Asia for cargo procurement.

Northeast Asian players are likely to see a slow start to the heating season as temperatures remain warmer than normal in the period leading up to the start of winter, while healthy storage levels could mute spot purchases from the region.

In Europe, high storage and steady output could see prices fall back significantly over winter in the event of mild weather like that of the last two years, analyst said. In addition, US supply is also improving with Cove Point returning from planned maintenance and Hurricane Milton not affecting LNG production. In the US, natural gas futures fell about 4% to a five-week low on Friday with forecasts for mild weather expected to keep heating demand low through early November. Front-month gas futures settled at $2.26 per million mmBtu. For the week, the contract was down about 14%, its biggest weekly drop since early February.

■ *This article was supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

Ooredoo Qatar to transform workforce productivity and customer engagement supported by Microsoft

Ooredoo Qatar has announced a significant technological evolution aimed at transforming workforce productivity, enhancing business efficiency, and delivering unparalleled value to its employees and customers.

In collaboration with Microsoft, Ooredoo Qatar is introducing innovative productivity tools designed to streamline operations, empower teams, and drive transformative growth.

By integrating advanced artificial intelligence-driven productivity solutions, such as Microsoft 365 Copilot and Microsoft Power Platform, Ooredoo Qatar is enabling its workforce to collaborate more effectively, make faster, data-driven decisions, and manage day-to-day tasks seamlessly. These tools will not only drive Ooredoo's internal transformation but will also enhance the services provided to its customers. Committed to accelerating automation and innovation, Ooredoo Qatar leverages advanced productivity platforms to rapidly develop low-code applications, automate workflows, and gain critical insights from data. This approach significantly reduces the time spent on manual, repetitive tasks, and enhances business agility, enabling Ooredoo Qatar to swiftly respond to customer needs and the ever-changing market dynamics.

Additionally, as part of the agreement, Ooredoo Qatar is going to modernise its customer engagement channels, including contact centres, through the utilisation of Microsoft's Azure OpenAI services. This will leverage AI-powered solutions to deliver a more intelligent, responsive, and personalised customer experience, aligning with Ooredoo's Qatar vision of excellence in customer service.

Ooredoo Qatar CEO Sheikh Ali bin Jabor al-Thani said: "Our partnership with Microsoft marks a transformative milestone in our digital journey. By integrating cutting-edge productivity solutions, we are enhancing our operational efficiency and empowering our teams to deliver unprecedented value to our customers. This is a clear demonstration of our commitment to innovation, agility, and customer-centricity." Echoing this sentiment, Lana Khalaf, general manager of Microsoft Qatar, stated: "At Microsoft, we are committed to empowering organisations like Ooredoo to enhance workforce productivity through our innovative solutions.

By leveraging the power of AI, we enable employees to work smarter, not harder, and achieve more in less time. AI-driven tools streamline workflows, provide valuable insights, and foster collaboration, ultimately driving efficiency and innovation in the workplace.

Our partnership with Ooredoo exemplifies how technology can transform business operations and create a more productive and agile workforce."

With multiple AI initiatives in the pipeline, Ooredoo Qatar and Microsoft are exploring new frontiers in digital engagement, further cementing their joint commitment to technological advancement.

Commercial Bank participates in 2nd Qatar Real Estate Forum

Commercial Bank's Group CEO Joseph Abraham participated in a panel discussion at the '2nd Qatar Real Estate Forum', which was held at the Doha Exhibition and Convention Center, under the patronage of HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani.

The Qatar Real Estate Forum and Cityscape Qatar brought together real estate experts and stakeholders from around the world, establishing it as a premier event for knowledge sharing, expertise exchange and exploring future trajectories within the real estate sector, while showcasing various opportunities within the growing industry.

Commenting on the bank's proactive approach in driving growth in Qatar's real estate sector in the second panel discussion titled Financing Strategies and Regulatory Frameworks in Real Estate Sector, Abraham said: "Commercial Bank is one of the leading banks in financing real estate in Qatar and we have a wide range of mortgage and financing solutions to support investment in this area. We believe Qatar is an attractive market for long term real estate investors both resident and non-resident."

Qatar's property market offers attractive high-quality properties and excellent infrastructure at a very good relative price level, which makes it an attractive option compared to markets like Dubai and Saudi Arabia.

Commercial Bank was the first bank in Qatar to introduce a non-resident mortgage loan proposition that provides seamless real estate financing options for non-residents, promotes Qatar's residency scheme, and highlights the benefits of property ownership. In addition, it has a wide range of mortgages for Qataris including an innovative Young Qatari mortgage programme to encourage younger Qataris, mortgages for long term residents and also a 'Green Mortgage' for sustainable real estate investments.

Additionally, Commercial Bank was also the first bank to partner with United Development Company (UDC), to participate in 10 international exhibitions and roadshows across Singapore, Hong Kong, France, United Kingdom, India, Saudi Arabia, UAE to highlight real estate investment opportunities and the benefits of the Qatar residency programme to attract foreign investments.

The bank's efforts to continuously educate the market and offer the right products have positioned it as a key player in the industry.

Global trade set to withstand significant headwinds in 2025: QNB

International trade has displayed extraordinary volatility in recent years, QNB said in an economic commentary.

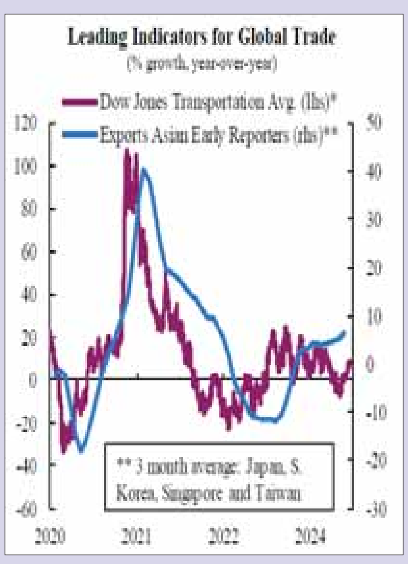
After the sharp collapse in trade volumes in 2020 resulting from the Covid-pandemic, a strong rebound took place in 2021 as the pandemic gradually receded and the global economy began to progressively reopen.

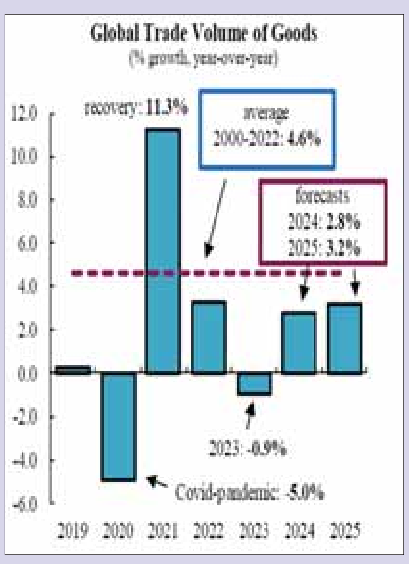
Afterwards, a challenging environment emerged amid rising interest rates, high inflation, and geopolitical instability. These negative conditions resulted in a sharp deceleration of trade activity in 2022, which was even more disappointing in 2023, displaying a highly unusual contraction, QNB noted.

During the last 40 years, a contraction in real trade volumes had only been recorded in 2009 as an aftermath of the Global Financial Crisis (GFC), and in 2020 with the dramatic disruptions caused by the Covid-pandemic.

While some of the headwinds remain relevant today, including a challenging geopolitical environment fraught with protectionism and logistical disruptions, a moderate recovery began to take place in 2024.

In QNB's view, although global trade growth will remain below the long-term pre-Covid pandemic average, the recovery is set to continue in 2025. In this article,





QNB analyses three key elements that support our expectations of a sustained recovery.

First, key leading indicators point to an improvement in trade volumes. Investor expectations regarding future earnings of companies in the transportation sector are a revealing signal of prospects for global commerce.

The Dow Jones Transportation Average is an equity index that is comprised of airlines, trucking, marine transportation, railroad and delivery companies, whose performance tends to lead the dynamics of global exports. After reaching a low in mid-2024 in year-over-year terms, the gauge has returned to the positive range that points to an expansion in trade.

It is also valuable to track the export performance of highly integrated Asian economies such as Japan, South Korea, Singapore, and Taiwan, which report trade statistics in a timely fashion.

After displaying negative growth during most of last year, in line with the contraction in world trade, this measure began a rising trend that continues in the expansionary range. Overall, leading indicators suggest that trade is set to sustain its recovery.

Second, the Chinese government has announced a battery of aggressive measures to stimulate the economy, contributing to an improvement in the outlook for international trade in the medium term.

During the course of this year, concerns regarding the performance of the Chinese economy started to mount amid deflationary pressures, the real estate crisis, and negative momentum in investor sentiment. Economic growth expectations for 2024 fluctuated between 4.5% and 4.9%, significantly below the 10-year average of 5.6%.

In a strong response, Chinese authorities set forth a series of coordinated monetary, financial, and fiscal measures to provide support to the world's second largest economy.

QNB expects the comprehensive package of policy measures to bolster economic growth in China and East Asia, creating further momentum in the most dynamic trading region of the planet. This should further support an acceleration of overall trade growth.

Third, the policy interest rate cutting cycles by major central banks will give trade an additional boost. Given the progress in bringing inflation under control, the US Federal Reserve and the European Central Bank are embarking on a significant process of monetary easing.

This cycle, QNB noted, is expected to take policy rates from restrictive territory towards accommodative levels by end-2025. International trade is highly sensitive to credit and interest rates, given their influence on investment by firms and on the demand of durable goods by households, which are major components of trade flows.

Thus, the monetary easing cycle in advanced economies will add momentum to global trade growth.

"All in all, absent a major escalation in protectionism and geopolitical disruptions, we expect growth in volumes of trade to continue to recover, increasing to 3.2% in 2025, from an expected 2.8% this year, amid positive leading trade indicators, aggressive economic stimulus measures in China, and the policy interest rate cutting cycles in advanced economies," QNB added.