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AVIATION SPECIAL : Page 4

Affordable fares crucial to ensure accessibility to air travel, support economic vitality

Top executives of listed companies with QSE acting CEO Abdulaziz Nasser al-Emadi at the New York roadshow.

Foreign institutions account for 40% of QSE daily turnover

By Santhosh V Perumal
Business Reporter

Foreign institutional investors are increasingly penetrating the Qatar Stock Exchange (QSE), typically accounting for 30%-40% of average daily turnover in the recent past and continue to have an active presence in the QSE, which is becoming an investment destination in view of the country embarking on a new phase of growth driven by the proposed North Field expansion.

This was the message conveyed by top QSE officials to international investment managers at a roadshow in New York, hosted at the Bank of America's offices. The roadshow was part of the QSE's strategy to expand its investor base, attract further foreign investment and showcase the strength and potential of Qatar's capital markets.

The bourse led a delegation of its leading listed companies such as QNB, Commercial Bank of Qatar, Qatar Islamic Bank, Masraf Al Rayan, Mesaieed Petrochemical Holding, Industries Qatar, Gulf International Services and Qamco, Qatar Insurance, Milaha and Nakilat.

The roadshow offers the US investors an opportunity to expand their relationship with Qatar as an investment destination and strengthen their understanding of investment opportunities with Qatar's leading companies. It also reflects the increased penetration of foreign institutional investors into Qatar's capital markets.

"The QSE's and our listed companies' commitment to ongoing outreach is part of a long-term commitment. In fact, the Third Financial Sector Strategy enshrines internationalisation as one of its key objectives," QSE acting chief executive officer Abdulaziz Nasser al-Emadi said.

"This covers not just equity investors but also fixed income investors as well as the regional and global market participants who provide the international connectivity that has been such an important part of Qatar's overall growth. The two go hand-in-hand with increased awareness, requiring further development of market access and market infrastructure that will make portfolio investment more efficient," he added.

Post World Cup and its related infrastructure build-out, he said Qatar is embarking on a new phase of growth driven by the proposed North Field expansion, which will increase liquefied natural gas production capacity to 142mn tonnes per annum by 2030, an 85% increase.

According Standard & Poor's (S&P), an international credit rating agency, Qatar's LNG production increase would imply demand for additional exports, particularly to Europe and enhancing of the country's per capita income to above $80,000.

Qatar derives about 40% of its GDP or gross domestic product, 80% of government revenue, and 90% of exports from the hydrocarbon sector.

From left: Sheikh Ahmed bin Khalid al-Thani, Assistant Governor for Financial Instruments and Payment Systems at the QCB, and Hamad Ahmed al-Mulla, Assistant Governor (Supervision), addressing the capacity-building programme for banks and financial institutions, which QCB jointly hosted with IILM.

Qatar's Islamic banking assets total QR576bn in September, says QCB assistant governor

By Pratap John
Business Editor

Qatar's Islamic banking assets account for nearly 29% of total banking assets as of September this year, which is equivalent to QR576bn, according to Hamad Ahmed al-Mulla, Assistant Governor (Supervision) at the Qatar Central Bank.

He was addressing a capacity-building programme QCB jointly hosted with the International Islamic Liquidity Management Corporation (IILM) for banks and financial institutions operating in the country.

The event was titled 'The Role of Islamic financial markets and instruments in the development of debt capital market in Qatar'.

Al-Mulla emphasised Qatar's prominent role in the Islamic finance industry globally. The country ranks sixth among the top Islamic finance jurisdictions, according to the latest report issued by the Islamic Financial Services Board (IFSB).

Qatar, he noted, has over four decades of experience in the Islamic finance sector.

Al-Mulla stated that sukuk (Islamic bonds) are a key pillar in enhancing Islamic capital markets and improving liquidity management tools for Islamic financial institutions, especially given the global growth of the sukuk market, which has proven resilient despite the global macroeconomic challenges.

In this context, al-Mulla reiterated the QCB's important role as a key shareholder in the IILM, supporting the development of IILM's sukuk, with Qatar holding a 74% share of IILM's asset portfolio, fully guaranteed by the State of Qatar.

He also highlighted the importance of the joint initiative between the QCB and IILM in organising the programme, which is designed to enhance and develop Islamic capital markets in Qatar in line with the Third Financial Sector Strategy, which envisions the creation of an innovative and efficient financial market.

He added that the programme would help enhance the understanding of the role of Islamic financial markets and instruments, explore emerging opportunities, and share best practices that can help achieve strategic objectives.

Sheikh Ahmed bin Khalid al-Thani, Assistant Governor for Financial Instruments and Payment Systems at the QCB, expressed confidence that the capacity building programme would significantly contribute to the development of Islamic capital markets in Qatar in line with strategic initiatives, including the Third Financial Sector Strategy and the recently launched Qatar Central Bank Strategy 2024-2030 in conformity with the Qatar National Vision 2030.

Sheikh Ahmed called for continued knowledge sharing and collaboration among financial industry stakeholders, particularly market practitioners, and international Islamic finance institutions, expressing his hope for the continued contribution of such platforms to fostering financial stability and growth within the Islamic finance ecosystem in Qatar.

The one-day programme was attended by a diverse group of stakeholders and key players in the banking and financial sectors, along with representatives of Qatari banks and financial institutions. It provided a unique opportunity to explore the role of Islamic financial markets in enhancing and developing capital markets in Qatar.

The sponsorship emphasises QNB's commitment to aligning its strategic objectives with Qatar's efforts to enhance economic development in Africa through growing partnerships in line with the African Union's Agenda 2063 and the Sustainable Development Goals 2030, leveraging the continent's abundant talent

QNB Group 'Platinum Sponsor' of 3rd Qatar-Africa Business Forum in Morocco

QNB Group has announced its sponsorship as 'Platinum Sponsor' of the 3rd edition of the Qatar-Africa Business Forum (QABF) taking place in Marrakech, Morocco, on November 16-17 as part of the Qatar-Morocco 2024 Year of Culture.

This sponsorship emphasises QNB's commitment to aligning its strategic objectives with Qatar's efforts to enhance economic development in Africa through growing partnerships in line with the African Union's Agenda 2063 and the Sustainable Development Goals (SDGs) 2030, leveraging the continent's abundant talent

By sponsoring this event, the bank is also dedicated to support initiatives to celebrate bilateral profound ties with Morocco while promoting QABF's mission to cultivate sustainable and equitable partnerships between Qatar and Africa.

Heba al-Tamimi, senior executive vice-president (Group Communication) at QNB, said, "Our sponsorship for this event, which highlights Africa's crucial role as a hub of human capital, affirms our commitment to supporting Qatar's efforts aimed at harnessing the continent's rich talent and resources, emphasising our brand's visibility and impact as the largest financial institution in the Middle East and Africa. Over 300 policy makers, CEOs, entrepreneurs and innovators from Qatar, Africa, and around the world will gather for the event to discuss the opportunities of "AI and Development."

High-level meetings will also focus on the pivotal role of the private sector in achieving sustainable development goals.

QNB Group is one of the leading financial institutions in the MEA region and among the most valuable banking brands in the regional market. Present in some 28 countries across Asia, Europe, and Africa, it offers tailored products and services supported by innovation and backed by a team of over 31,000 professionals dedicated to driving banking excellence worldwide.

LuLu Mall Al Khor wins Sustainability Excellence award at 'MECS+R MENA 2024'

LuLu Mall Al Khor has been awarded the prestigious Silver Award (NOI Enhancement) for Sustainability Excellence in Energy Optimisation at the MECS+R Award 2024, organised by the Middle East Council of Shopping Centres & Retailers (MECS+R).

The accolade was jointly presented by Dr Younis al-Mulla, chairman of MECS+R, and David Macadam, CEO of MECS+R, during a ceremony held in Riyadh.

LuLu Mall's recognition as the Silver Winner in the Sustainability Excellence category, particularly for its outstanding achievements in energy optimisation, underscores its commitment to implementing sustainable practices that reduce its environmental issues while improving its financial performance.

The prestigious award marks a significant milestone for Al Khor Mall as it continues to elevate its standards of operation, sustainability, and customer experience in the competitive retail landscape of the Middle East.

As the first premium shopping destination of its kind in Al Khor, LuLu Mall emphasises sustainability and energy efficiency and features an international standard LuLu Hypermarket, cinemas, amusement zones, a food court, restaurants, cafes, and over 100 global brands. Blending Arabic architecture with ample parking, it caters to the leisure and shopping needs of locals and expatriates alike.

LuLu Mall Al Khor exemplifies sustainable retail, integrating energy optimisation, waste management, plastic-free initiatives, and digitisation. Through advanced eco-friendly practices and participation in Earth Hour, the mall actively promotes environmental stewardship, setting a benchmark for sustainability in the retail industry.

The mall's journey to achieving sustainability excellence is rooted in its collaboration with Honeywell, a global leader in energy management solutions. The mall deployed the Honeywell Forge Energy Optimisation system, a cloud-based platform designed to monitor and optimise energy consumption in real time. By analysing data from weather patterns, occupancy levels, and operational conditions, the system autonomously adjusts chiller temperatures, fan speeds, and other HVAC settings to maintain peak energy efficiency.

This initiative has resulted in impressive results for LuLu Mall Al Khor. Over 18 months, the mall achieved an average of 15% savings on HVAC energy consumption, reducing its energy expenses significantly. In 2019, before these optimisations were implemented, the mall's energy costs amounted to $1.28mn. From August 2023 to July 2024, the mall successfully lowered its energy costs to $1.17mn, saving $110,000.

The award was jointly presented by Dr Younis al-Mulla, chairman of MECS+R, and David Macadam, CEO of MECS+R, during a ceremony held in Riyadh.

The award highlights LuLu Mall's strategic focus on sustainability, which aligns with the broader goals of LuLu Group International to prioritise eco-friendly operations. The group's ongoing investment in sustainable technologies and practices showcases its leadership in driving positive environmental change within the retail industry.

In Qatar, LuLu Group has consistently demonstrated its dedication to sustainability through various initiatives. Notably, the LuLu Hypermarket in Al Meshaf became the first carbon-neutral hypermarket in the GCC region, achieving this milestone in January 2023.

Additionally, LuLu Hypermarket actively supported Qatar Sustainability Week 2024, organised by the Earthna Centre for a Sustainable Future, in partnership with the Ministry of Environment and Climate Change, reinforcing its commitment to environmental stewardship.

As a part of LuLu Group International, LuLu Al Khor Mall's achievement is a testament to the group's unwavering commitment to sustainability, innovation, and operational excellence. The award reinforces the mall's role as a pioneer in the Middle East's retail sector and sets a high standard for sustainable practices in the region.

‘5th World Conference on International Arbitration’ to kick off on November 19 in Doha

Qatar Chamber has announced the staging of ‘5th World Conference on International Arbitration’ from November 19 to 20 at the Waldorf Astoria Lusail Hotel in Doha.
Organised by the Qatar International Centre for Conciliation and Arbitration (QICCA), the event will be held under the patronage of HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani.
The event was announced in the presence of Qatar Chamber acting general manager Ali Saeed Bu Sherbak al-Mansouri and QICCA board member for International Relations Sheikh Dr Thani bin Ali al-Thani.
Al-Mansouri said QICCA’s regular hosting of the conference reflects its commitment to promoting a culture of arbitration and facilitating the exchange of insights on various arbitration issues, noting that the event brings together a distinguished group of local, regional, and international speakers.
He also said the conference aligns with Qatar’s strategy of hosting leading international events and expressed hope that it will achieve its objectives by fostering collaboration among arbitrators and lawyers to address issues and challenges in arbitration as a means of dispute resolution.

Qatar Chamber acting general manager Ali Saeed Bu Sherbak al-Mansouri and QICCA board member for International Relations Sheikh Dr Thani bin Ali al-Thani during the announcement of the event.

Sheikh Thani said the conference’s fifth edition in Qatar underscores the country’s growing status as a leading hub for international arbitration, emphasising that Doha has become a leading platform for efficiently and professionally resolving commercial and investment disputes.
He highlighted that the conference brings together a prominent group of experts, lawyers, and arbitrators from around the world to discuss the latest issues and challenges in international arbitration.
Sheikh Thani noted that the event provides an opportunity to promote dialogue and exchange ideas, serving as a platform for sharing best practices and experiences that contribute to advancing arbitration mechanisms for the benefit of both the local and international business community.
He said the event aligns with Qatar’s ambitious vision to support economic and investment activities, and highlighted that arbitration plays a vital role in strengthening the business environment and providing a safe, attractive climate for investment. He also affirmed QICCA’s commitment to promoting a modern arbitration system that keeps pace with global developments.
The conference aims to exchange experiences with Arab, regional, and international arbitration centres and to promote arbitration as an effective alternative for resolving commercial disputes, he said, adding that arbitration offers numerous advantages, including technical efficiency, speed, confidentiality, and streamlined procedures, all contributing to a better investment environment in alignment with Qatar National Vision 2030.
The conference will feature local and international participation, including lawyers, arbitrators, judges, academics, counsellors, prosecutors, and others interested in arbitration, with over 35 speakers from prominent figures in international arbitration.
Sheikh Thani said the conference would cover a range of important topics and themes related to arbitration issues and recent developments in the field. He also expressed his gratitude to all sponsors, supporters, and participants for their tireless efforts in making this event a success.

GCC banks in pink of health; performance likely to pervade into 2025 amid lower interest rates: S&P

By Santhosh V Perumal
Business Reporter

Banks in the Gulf Co-operation Council (GCC) region are doing well and are profitable, benefiting from strong asset quality indicators and strong capitalisation; and are expected to continue their performance in 2025 amidst lower interest rates, according to Standard & Poor’s (S&P).

Expecting the Brent oil price to average $75 per barrel in fourth-quarter of 2024 and over 2025-27, which would be helpful for most GCC countries; Dr Mohamed Damak, managing director (Sector Lead Financial Institutions/ Emerging Markets), S&P, said in a report.

The GCC countries would also benefit from the implementation of economic transformation projects (Saudi Arabia), expansion of gas production (Qatar), reform implementations (Bahrain and Oman), and the non-oil economy’s good performance (Bahrain and the UAE), according to him.

“Within this context, we think the GCC banks will continue to grow their lending books without generating major macroeconomic imbalances,” he said, adding lending is slated to range from a high 8%-9% in Saudi Arabia and the UAE to a modest 3%-6% in other GCC countries.

Although S&P expects asset quality indicators to remain broadly “stable” over the next 12-24 months; he said pressures remain in markets such as Qatar, where the real estate sector continues to suffer from oversupply after the World Cup in 2022.

Margins have improved, thanks to higher rates, while cost of risk is inching up in some countries as banks use excess profitability to prepare for potential shocks or to cover for risks related to exposures in non-domestic countries, the report said, adding banks continue to display strong efficiency, which benefits from low labour costs and increasing digitalisation.

The rating agency forecasts that the US Federal Reserve would cut rates by 225 basis points (bps) by the end of 2025 (inclusive of the 75-bps cut already delivered).

“The GCC central banks are likely to mirror these cuts in varying degrees. The overall effect of the rate decline on profitability is negative. Yet it could reduce unrealised losses in securities portfolios and the cost of funding for banks that rely heavily on external funding,” it said.

Based on its assumption that interest rates would decline by 225 bps by year-end 2025, it expects an average impact of about 25-50 bps on the GCC banks’ margins, with variations: 20-30 bps for Bahrain, 30-50 bps for Kuwait, 10-20 bps for Oman, +/-10 bps for Qatar, 20-30 bps for Saudi Arabia, and 40-60 bps for the UAE.

Finding that the GCC banks continue to benefit from a strong capitalisation, supporting their overall creditworthiness; S&P said “supportive shareholders – dividend payouts tend to be below 50% – and strong profitability contributed to stable capitalisation levels.”

Highlighting that the quality of capital is also strong, with a relatively limited contribution of hybrid instruments; the rating agency expects the banks to likely increase hybrid issuance over 2025-26 to benefit from lower rates and because several previously issued instruments will reach their first call dates.

The GCC banks are mainly funded by domestic deposits, which have proved “stable” through periods of mild stress, such as the Covid-19 pandemic and the previous instances of geopolitical risk, it said, adding public sector deposits typically account for 20%-30% of the deposit base (except in Bahrain, where this percentage is lower).

Finding that external funding is increasing in some (Gulf) countries; it said even though external debt is “significant” in Qatar, “the Qatari government has a strong track record of providing support to the banking system if necessary.”

QICDRC, HBKU College of Law discuss global commerce, critical role of international courts

The growing importance of digital technology in global commerce and the critical role of international courts in resolving complex technology-related disputes came under scrutiny at an event organised by Qatar International Court and Dispute Resolution Centre (QICDRC) and Hamad Bin Khalifa University (HBKU) College of Law.

The event, which was held in collaboration with Lexis Nexis, focused on the role of international commercial courts in resolving digital technology disputes.

As part of the QICDRC-HBKU lecture series, the event brought together legal experts, academics, and practitioners to discuss how international commercial courts manage digital disputes and leverage digital technologies in their proceedings.

The session also explored whether these courts are the most suitable for digital technology-related disputes compared to alternative dispute resolution (ADR) and online dispute resolution (ODR) methods.

“In a world increasingly shaped by digital innovation, the role of international courts in managing disputes related to these technologies is crucial. This event highlighted the need for legal systems to stay ahead of the curve and ensure they are well-equipped to address the challenges posed by the digital economy,” said Lord Thomas, President of the Qatar International Court and former Chief Justice of England and Wales.

Highlighting that courts need to embrace technologies like artificial intelligence (AI) in commercial cases, he said while some states permit digital documents, the business community remains cautious. “Openness to change is crucial, as technology can enhance judgments without sacrificing quality,” he added.

The panel discussion, moderated by Professor Georgios Dimitropoulos, Professor of Law at HBKU and WTO Chair of International Trade Law, featured distinguished speakers, including Lord Thomas, William Blair (Chairman of the Qatar Financial Centre Regulatory Tribunal and former Judge-in-Charge of the Commercial Court of England and Wales), Linda Fitz-Alan (Registrar and Chief Executive Officer of the Abu Dhabi Global Market Courts), and Professor Pietro Ortolani (Professor of Digital Conflict Resolution at Radboud University).

Lord Thomas, President of the Qatar International Court, addresses QICDRC-HBKU College of Law lecture.

“This event underscores the increasing importance of digital technologies in modern legal systems. By engaging with international experts, we are better positioned to understand the complexities of digital disputes and enhance Qatar’s legal landscape in this evolving field, Susan Karamanian, the Dean of HBKU College of Law, said.

Panelists shared their perspectives on how these courts can adapt to the rapidly evolving digital landscape.

“A court’s readiness is essential in deciding whether to adopt AI, as premature use could impact stakeholders. Technology should also be customised to each court’s unique needs, not vice versa,” said Linda Fitz-Alan.

“Legal frameworks are slow to change, but tools like digital processes and paperless courts enable gradual progress and streamline authentication,” Ortolani said.

Saudi wealth fund PIF to sell further stake in STC in potential $1.1bn deal

Saudi Arabia’s sovereign wealth fund PIF has hired Goldman Sachs and Saudi National Bank to sell around a 2% stake in the country’s telecom group STC in a deal that could raise up to $1.1bn, according to a statement from the banks, reports Reuters.
The price of the shares will be determined through an accelerated book building process, the banks said. PIF did not immediately respond to a request for comment.
PIF, which sold 6% of STC for $3.2bn in 2021, will keep a 62% stake in the telecoms group after the offering, whose final results will be announced on Thursday. STC will not receive any proceeds, the banks added.
The wealth fund, which has nearly $1tn in assets under management, has been among the most active debt issuers in the Gulf this year to raise funds as Saudi Arabia pushes ahead with its economic transformation plan. The economic blueprint, known as “Vision 2030”, aims to wean the economy away from oil with investments to develop new sectors and create more sustainable revenue streams.
However, amid lower oil prices and production that have hit the government’s earnings, the kingdom has begun a spending review under which some projects will be delayed or scaled back, and others prioritised.
PIF’s governor said last month the wealth fund was planning to cut its overseas investments by about a third. It has cut its stake in Japan’s Nintendo to 6.3% from 7.5%, according to a regulatory filing on Wednesday.

Ahead of US inflation data, QSE eases 38 points; M-cap melts QR1.82bn

By Santhosh V Perumal
Business Reporter

Ahead of the US inflation data, the Qatar Stock Exchange yesterday continued to be in the negative trajectory with its key index losing more than 38 points as majority of the traded constituents were in the red.
The real estate, industrials, telecom and transport counters witnessed higher than average selling pressure as the 20-stock Qatar Index knocked off 0.36% to 10,420.04 points, although it touched an intraday high of 10,495 points.
The foreign individuals were seen net profit takers in the main bourse, whose capitalisation melted QR1.82bn or 0.29% to QR618.4bn primarily on the back of small and microcap segments.
The domestic institutions’ weakened net buying had its influence on the main market, which saw as many as 0.05mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.14mn change hands across 16 deals.
The Islamic index was seen declining faster than the other indices of the main bourse, whose trade turnover and volumes were on the decrease.
The local individual investors’ lower net buying had its say in the main market, which saw no trading of treasury bills.
The foreign funds continued to be bearish but with lesser intensity in the main bourse, which saw no trading of sovereign bonds.
The Total Return Index shed 0.36%, the All Islamic Index by 0.64% and the All Share Index by 0.19% in the main market.
The realty sector index tanked 1%, industrials (0.92%), telecom (0.78%) and transport (0.55%); while insurance gained 0.26%, banks and financial services (0.22%) and consumer goods and services (0.04%).
As much as 68% of the traded constituents were in the red with major losers being Ezdan, Aamal Company, Gulf Warehousing, Commercial Bank, Industries Qatar, QIIB, Qatar German Medical Devices, Medicare Group, Baladna and Qamco.
Nevertheless, Doha Bank, Mekdam Holding, QNB, Meeza and Doha Insurance were among the gainers in the main bourse.
In the venture market, both Al Mahhar Holding and Techno Q saw their shares appreciate in value.
The foreign retail investors were net sellers to the tune of QR5.32mn compared with net buyers of QR5.31mn on November 12.

The real estate, industrials, telecom and transport counters witnessed higher than average selling pressure as the 20-stock Qatar Index knocked off 0.36% to 10,420.04 points, although it touched an intraday high of 10,495 points yesterday.

The domestic institutions’ net buying declined significantly to QR31.34mn against QR56.65mn the previous day.
The Qatari individuals’ net buying weakened perceptibly to QR25.94mn compared to QR28.13mn on Tuesday.
The Arab retail investors’ net buying shrank markedly to QR2.32mn against QR9.33mn on November 12.
The Gulf individual investors’ net buying eased marginally to QR0.2mn compared to QR0.93mn the previous day.
However, the foreign institutions’ net selling decreased substantially to QR40.23mn against QR60.26mn on Tuesday.
The Gulf institutions’ net profit booking declined noticeably to QR14.25mn compared to QR40.08mn on November 12.
The Arab institutions had no major net exposure for the eighth straight session.
Trade volumes in the main market fell 16% to 132.61mn shares, value by 22% to QR362.1mn and transactions by 7% to 15,388.
In the venture market, trade volumes more than tripled to 0.67mn equities and value also more than tripled to QR1.62mn on more than doubled deals to 81.

The new AirTag+airline era for our checked bags

By Alex Macheras

Apple's AirTag, the small, coin-sized device, originally launched as a consumer tool for tracking personal items, has fast become an essential travel companion, specifically for one of the more unpredictable aspects of air travel: Checked baggage.
AirTag, a product of Apple's far-reaching ecosystem, work by using a network of Bluetooth connections from nearby Apple devices, transmitting their location back to the owner via the Find My app.
For travellers, this has proved invaluable. Instead of waiting anxiously by the baggage claim, hoping their suitcase materialises, AirTag-equipped passengers can monitor the precise location of their bags in real-time. And as any seasoned traveller knows, peace of mind is a precious commodity. However, the story doesn't end with the passenger's reassurance. In fact, it only begins there.
When an AirTag-equipped bag goes missing, the owner can see exactly where it is, often before the airline is even aware of the issue. This has introduced a new dynamic to the passenger-airline relationship. In previous years, passengers were largely passive in the process, accepting that airlines would be the first — and often the only — point of contact for any updates on delayed or lost baggage.
Now, travellers arrive with precise location data, which can sometimes expose the limitations in airline baggage handling and tracking systems. For airlines, this creates both an opportunity and a challenge, especially in an era where customer loyalty is more fragile than ever.
Airlines have long struggled with baggage handling. The International Air Transport Association (IATA) has made significant strides in standardising systems and reducing instances of lost or mishandled baggage over the past two decades, yet lost luggage remains an ongoing issue, particularly during peak travel seasons. The implementation of AirTags by passengers could theoretically benefit airlines, offering additional tracking capabilities that augment existing systems. Yet, there is a resistance to fully embrace or integrate this consumer-grade technology, as seen with Lufthansa's initial stance against AirTags, citing "security concerns" due to their transmission abilities on flights.
This begs the question: Are such concerns based on genuine issues, or are they simply a reflection of an industry unprepared to meet the transparency AirTags demand?
For passengers, the real value of AirTags lies in accountability. When passengers know exactly where their bag is — even if it's halfway around the world due to an airline routing error — the power dynamic shifts. Passengers now have verifiable data, which they can use to request faster resolution and sometimes even additional compensation. From the airline's perspective, this visibility can increase the pressure to resolve issues swiftly, given that a customer's frustration is amplified when they can pinpoint the precise location of their misplaced belongings but are still unable to retrieve them.
The rise of AirTags is pushing airlines to re-evaluate their own baggage-tracking technologies.
Currently, many carriers rely on RFID (Radio Frequency Identification) and barcode systems to monitor baggage, systems that are robust but not universally accurate or accessible in real-time.
RFID technology, although advanced, operates on a different frequency and within a limited range, unlike AirTags, which depend on Apple's global network of connected devices. The challenge is clear: as passengers become accustomed to the immediacy and convenience of AirTags, will airlines be compelled to adopt similar technologies? Or, perhaps more challengingly, will they need to offer interfaces that integrate customer data with airline systems, creating a seamless experience?
For a long time, we've wondered if Apple were able to strike a partnership with a major airline to integrate AirTag technology directly into the carrier's baggage systems, it could set a new standard in the industry, eliminating the disconnect that currently exists between consumer tracking and airline monitoring.
Apple is now preparing to introduce a feature that can help people find their lost belongings with AirTag by sharing tracking data with airlines. The new feature, compatible with iOS 18.2, will be released in December. It is named the Share Item Location feature, allowing users to share the position of an AirTag or other Find My network assets for a limited time with other people. Delta, United, British Airways, and Air Canada will implement this new tool for airport workers to use AirTag tracking information safely and securely, Apple explained on Monday. Apple wants the feature to be available in other airlines, with United Airlines offering it for some airports and its network later in early 2025.
"We know many of our customers are already travelling with AirTags in their checked bags, and this feature will soon make it easier for them to share location information with us safely and securely, helping our customer service agents work more efficiently and giving our customers added peace of mind," said David Kinzelman, United's chief customer officer.
He added that the service will be available in only a handful of airports initially, but that the airline hopes to have integrated the service across its network by early 2025.
A key partner in Apple's bid to make luggage more traceable is Sita, a tech company that makes the baggage-tracking tech WorldTracer, which is used by over 500 airlines and ground handlers at more than 2,800 airports worldwide.
"With global passenger traffic set to double by 2040, airports and airlines worldwide will face important challenges," said Nicole Hogg, Sita's director of baggage. The Share Item Location links will make for more efficient baggage management and be a "huge benefit to customers," she added.

■ *The author is an aviation analyst. X handle @AlexInAir.*

Affordable fares crucial to ensure accessibility to air travel, support broader economic vitality

By Pratap John

Airfares remain more than 10% higher in several markets as international air traffic rebounds and seat capacity is expected to surpass pre-pandemic levels by the end of the year.
A recent study covering 60,000 routes in some 19 countries showed that several key markets experienced significant airfare increases on both domestic and international routes. The airfare study was undertaken by ACI APAC & MID in partnership with Flare Aviation Consulting.
Several markets experienced significant airfare increases. The study showed a sharp rise in domestic airfares during the first half of 2024 compared to 2019 levels. Notable increases were seen in key domestic markets such as India (+43%), Vietnam (+63%), Malaysia (+36%), Thailand (+26%), and Australia (+21%), all of which heavily rely on domestic air travel.
Despite the anticipated recovery in international seat supply in these countries, airfares remain elevated compared to pre-pandemic levels. In India and Vietnam, international fares rose by 16%, Malaysia by 21%, Australia by 14%, and Thailand by 7%, with low-cost carriers (LCCs) contributing to the sharpest increases.
The study also notes that low-cost carriers (LCCs) in the Asia-Pacific region have demonstrated greater resilience to the Covid-19 pandemic, increasing their market share and bargaining power, further influencing airfare trends. In the Middle East, traffic volumes have surpassed

Passengers in the departures hall at Paris-Orly Airport. Airfares remain more than 10% higher in several markets as international air traffic rebounds and seat capacity is expected to surpass pre-pandemic levels by the end of the year.

Beyond the Tarmac

pre-pandemic levels in most countries by second quarter (Q2) 2024. Countries such as Bahrain (+24%), Qatar (+27%), Saudi Arabia (+30%), and the United Arab Emirates (+39%) have experienced robust traffic growth.
Market analysts say rising airfares can indeed become a barrier for potential customers, especially for price-sensitive travellers. They include leisure travellers, students, and lower-income groups. Even among business travellers, where demand has traditionally been more inelastic, shifts are being seen in behaviour as companies adapt to cost-cutting measures and increased acceptance of virtual meetings, post-pandemic.
For many passengers, especially those travelling for leisure, the demand is relatively elastic. As fares rise, these customers may reduce the frequency of their trips, switch to more budget-friendly options, or choose alternative travel modes.
Increased fares for full-service airlines tend to drive travellers toward budget airlines, which continue to focus on leaner operational models and ancillary revenue (fees for extras like seat selection or checked bags) to keep fares relatively low.
Another challenge, analysts say, is that higher costs might prompt more businesses to replace some trips with virtual meetings. Although in-person interactions are sometimes essential, many businesses have realised that video conferencing can effectively substitute for face-to-face meetings in a number of scenarios. Commenting on the study, Emmanuel Menanteau, President of ACI Asia-Pacific & Middle East and Regional Director, VINCI Airports, said: "Affordable airfares is crucial not only for ensuring accessibility to air travel but also for supporting the economic vitality of our communities. Excessive fare increases can discourage passengers, hinder connectivity, and ultimately impact the growth of our sector. It is critical to keep air travel within reach for all, allowing our airports and local economies to thrive together."
Stefano Baronci, Director General, ACI Asia-Pacific & Middle East, said: "While passenger numbers in Asia-Pacific are returning to pre-pandemic levels this year, many travellers are paying significantly more, especially on domestic routes. This indicates that the demand for air travel is likely higher than in 2019. "We must ensure that rising airfares do not become a barrier for potential customers. Passengers deserve transparency about these costs. Airfares result from a complex pricing system set by airlines, influenced by demand and supply, price elasticity, competition on any given route. For example, routes that are reliant on a single airline saw fare increases of over 25%, while those with steady competition experienced only about a 10% rise."
Baronci added: "It is important to note that the increase in airfares is not related to airport charges. Considering the airlines' cost structure, fuel prices and inflation have a much greater impact than airport charges. For a long time, airport charges have represented a stable component of airlines' operating costs, averaging around 4%. From 2019-2024, airport charges have decreased by 7% for domestic flights and increased by only 6% for international flights, making their influence on the recent spike in airfares in the region negligible".
In the long term, if airfares continue to rise without accompanying increases in income or economic growth, they could limit consumer access to air travel, particularly for discretionary trips.

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Thai Airways adds to criticism of Rolls-Royce over engine delays

Bloomberg
Bangkok

Thai Airways International PCL said its Rolls-Royce Holdings Plc engines are spending more time than ever undergoing maintenance checks, adding to a chorus of criticism over the power units. Chief Executive Officer Chai Eamsiri said the engines powering its Boeing Co 787 Dreamliner aircraft are spending as long as 120 days undergoing checks, significantly longer than the 90-day wait when the British manufacturer previously encountered similar delays.
"We send it for a shop visit and it doesn't come back," he said at an annual meeting of Asian airlines in Brunei on Tuesday. "It used to be 90 days. Now it's longer, toward 120 days."
Rolls-Royce blamed industry-wide supply chain constraints for the delays. The company is working to prioritize resources needed to reduce the impact on airlines, a spokesperson said.
Thai Airways' comments on the increased wait times shed more light on the growing discontent among Rolls-Royce customers. British Airways and Virgin Atlantic Airways Ltd have suspended several routes over the past month due to a shortage of aircraft caused by the backlog.
On Monday, Rolls-Royce said it had formed a task force to address maintenance issues with its Trent 1000 engines used on the 787. The group is bringing together employees from operations, supply chain, engineering, technology and planning teams to speed up maintenance on the engine model.
Thai Airways has fewer than 10 Rolls-powered 787s but one is currently grounded without engines, according to Chai. He said he wasn't sure about the details of the renewed delays. Rolls-Royce appears to be facing too much demand for maintenance visits from "every airline" with the engines spending fewer hours flying and more time in the shop, he said.
The situation is "not getting worse but it should be better," Chai said, given Thai Airways' previous struggles with Rolls-Royce engines that led it to pick General Electric Co to supply the power units for the 45 787 Dreamliners it ordered earlier this year.


Thai Airways International aircraft at Suvarnabhumi Airport in Bangkok. Thai Airways said its Rolls-Royce engines are spending more time than ever undergoing maintenance checks, adding to a chorus of criticism over the power units.

JetBlue, American hint at revived partnership despite court loss

Bloomberg
Florida

American Airlines Group Inc and JetBlue Airways Corp still want to team up in the Northeastern US after an earlier pact was scuttled by US courts.
American Chief Executive Officer Robert Isom and JetBlue President Marty St George on Tuesday each hinted that a new partnership was still possible, even after a federal appeals court last week upheld an earlier finding that their Northeast Alliance violated antitrust laws and had to be dismantled.
"I do think it was pro-consumer for JetBlue and American to get together," St George said at the Skift Aviation Forum in Dallas. "I certainly think there is a structure that could work going forward. We could work with other carriers too." The government's case that ended the alliance was part of the Biden administration's aggressive posture on corporate mergers in several industries to ensure combinations don't hurt consumers or drive up prices. JetBlue's planned acquisition of Spirit Airlines Inc also was blocked for those reasons.
Analysts have suggested that President-elect Donald Trump's incoming administration will take a less-hostile stance on corporate deal activity. American is still reviewing the appeals court decision on its alliance with JetBlue and is weighing its options, Isom said, without specifying whether the carrier will appeal to a higher court. JetBlue did not join American in appealing the initial court ruling against the partnership.

An American Airlines plane lands on a runway near a parked JetBlue plane at the Fort Lauderdale-Hollywood International Airport in Florida. American Airlines Group and JetBlue Airways still want to team up in the Northeastern US after an earlier pact was scuttled by US courts.

Boeing delivers fewest jets in four years due to strike's toll

Bloomberg
New York

Boeing Co delivered 14 jetliners in October, its lowest monthly total since November 2020, as a strike by the company's largest union hamstrung its operations. At the peak of the labour strife in October, Boeing handed over just nine of its 737 Max jets, four 787 Dreamliners and one 767 freighter. It also recorded 63 gross aircraft orders in the month against no cancellations.
After 33,000 hourly workers walked off the job on September 13, Boeing was able to continue making some aircraft deliveries by using non-unionised employees in the Pacific Northwest and at its 787 Dreamliner factory in South Carolina. The planemaker delivered 24 of its jets from the start of the strike through October 31, including 17 Max and six Dreamliner jets.
The 53-day work stoppage is the latest in a series of calamities and crises that have battered Boeing, enabling rival Airbus SE to expand its market lead even while battling supplier snarls of its own. The European planemaker delivered 62 airplanes in October, including 48 of its A320neo family of narrowbody jets.
With the strike over, Boeing is focused on retraining and recertifying workers returning to its factories and nursing its supply chain back to health, important steps if it is to finally achieve steadily rising production rates after years of turmoil.
Boeing has delivered 305 jets this year through the end of October versus 559 aircraft for Airbus. The company has booked 378 gross orders so far this year, netting 141 new sales after cancellations and a US accounting provision for at-risk deals. The US manufacturer remains on watch for a potential downgrade to junk status by S&P Global Ratings even after raising $24.3bn in capital to bolster its liquidity.