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BUSINESS

KEY PLATFORM: Page 4

Qatari-Turkish Supreme Strategic Committee seen to bolster bilateral economic relations

QFZ CEO Sheikh Mohammed bin Hamad bin Faisal al-Thani and Luyi Holding Group chairman Yin Haijie signing the agreement on the sidelines of the China International Import Expo (CIIE) in Shanghai.

QFZ signs strategic agreement with Luyi Holding Group for global industrial park in Qatar

The Qatar Free Zones Authority (QFZ) has signed a landmark partnership agreement with Chinese investment leader Luyi Holding Group to develop a world-class industrial park in Qatar.

The project aims to catalyse foreign investment, strengthen local industry, and advance Qatar's economic diversification goals in alignment with the Qatar National Vision 2030.

The agreement was signed by QFZ CEO Sheikh Mohammed bin Hamad bin Faisal al-Thani and Luyi Holding Group chairman Yin Haijie on the sidelines of the China International Import Expo (CIIE) in Shanghai. The collaboration represents a significant step within China's Belt and Road Initiative to enhance regional co-operation and economic development.

Sheikh Mohammed said, "This agreement marks a crucial milestone in Qatar's strategic drive to diversify its economy, attract foreign investment, and strengthen the localisation of key industries. The planned industrial park will introduce a broad spectrum of industries that directly support Qatar's targeted cluster development."

He added: "Our advanced infrastructure, progressive business regulations, and comprehensive free zones incentives have created a compelling environment that attracts global businesses. This partnership with Luyi Holding Group reinforces Qatar's position as an internationally competitive investment destination.

"The new industrial park is expected to generate substantial opportunities for local companies across logistics, construction, and technology services sectors while creating new employment opportunities, enhancing local expertise, and facilitating knowledge transfer within Qatar's industrial landscape."

Haijie emphasised how the park aligns with the Belt and Road Initiative's goals of strengthening trade and development ties across the Middle East and beyond.

"Qatar's strategic location, modern infrastructure, and favourable investment climate made it the clear choice for our Middle Eastern expansion. This project will strengthen Sino-Qatari economic relations and establish Qatar as our regional operational hub," he said.

Located in Qatar's Umm Alhoul Free Zone, Phase 1 is a 282,000sq m industrial park that will feature state-of-the-art industrial units ranging from 5,000 to 30,000sq m, designed for immediate manufacturing and operational use. The facility aims to attract leading international companies across multiple sectors, including plastic and metal products, performance materials, and solar panels.

QatarEnergy enters 10-year sulphur supply deal with OCP Nutricrops

QatarEnergy has signed a long-term sulphur supply agreement with OCP Nutricrops, a subsidiary of OCP Group, a world leader in plant nutrition solutions and phosphate-based fertilisers.

Under the terms of the 10-year agreement, QatarEnergy will supply up to 7.5mn tonnes of sulphur to OCP Nutricrops beginning in the third quarter of 2024.

OCP Nutricrops is a Morocco-based company responsible for developing soil nutrition solutions to address global challenges in food production and sustainability.

Commenting on the occasion, HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi, who is also the President and CEO of QatarEnergy, said, "We are pleased to sign this agreement, solidifying our business relationship both with OCP Nutricrops and the Kingdom of Morocco. This agreement marks a significant step in advancing co-operation between our two companies and fostering mutual growth and value for both sides."

This agreement highlights QatarEnergy's strategy in establishing enduring relationships with reliable leaders in the fertilisers industry, as well as QatarEnergy's commitment to support the global agricultural sector and greater food security.

Qatar is one of the world's largest exporters of sulphur, with a total annual production capacity of around 3.4mn tonnes, which will further increase with the commissioning of new gas production projects in the coming years.

Sheikh Khalifa highlights Qatari-Turkish Supreme Strategic Committee's vital role in strengthening bilateral relations

QNA
Doha

Chairman of Qatar Chamber (QC) Sheikh Khalifa bin Jassim al-Thani said Qatari-Turkish relations have witnessed great developments over the past years, praising the vital role played by the Qatari-Turkish Supreme Strategic Committee, stressing the importance of the meetings held between officials of the two countries and the agreements signed during them to enhance strategic relations.

In remarks to Qatar News Agency (QNA), he pointed out that the strategic committee contributes, through its periodic meetings, to enhancing joint co-operation across all fields, especially in the economic, trade, and investment fields.

Sheikh Khalifa noted the strength of trade relations between Qatar and Turkiye, stressing the keenness of both countries to enhance and develop fruitful co-operation mechanisms, explore new horizons for co-operation, and develop and expand strategic co-operation relations between them, in light of the agreements and memoranda of understanding signed between the two countries.

He said that the volume of trade exchange between the two countries reached QR4.75bn in 2023, of which QR1.64bn was the value of Qatari exports, and QR3.11bn was the value of imports from Turkiye. Petroleum products and raw aluminium are at the top of Qatari exports to Turkiye, while the main imports from Turkiye include transformers, iron products, and foodstuffs.

Regarding mutual investments, Sheikh Khalifa said there are several Turkish companies in the Qatari market operating in various sectors, and in return, there are several successful Qatari investments in Turkiye in sectors including real estate, tourism, and others.

He stressed QC's keenness to support and develop means of co-operation and partnership between business owners from both sides, stressing the desire of Qatari businessmen and investors to invest in Turkiye. He also noted the existence of many investment opportunities in Qatar that can attract Turkish investors in various sectors, such as energy, tourism, real estate, agriculture, and food. Page 4

Key factors to establish successful startup ecosystem identified: Invest Qatar

By Santhosh V Perumal
Business Reporter

Qatar has identified six critical factors – which include national innovation strategy, high research and development (R&D) levels and diverse funding options for SMEs (small and medium enterprises) – for establishing and maintaining a successful startup ecosystem, according to Invest Qatar.

"By examining the key elements of leading global startup ecosystems, we can identify several critical factors and policies essential for establishing and maintaining a successful ecosystem," Invest Qatar said in a report.

Highlighting that the critical factors also include talent and startup attraction strategies, an entrepreneurial culture and robust support systems; it said "for any startup ecosystem to thrive, it must be built on these foundational elements."

Stressing that the development of Qatar's startup ecosystem is an ongoing process, continuously evolving to match global standards; it said public and private stakeholders are committed to improving the foundational elements of the ecosystem, including education, R&D, funding, support systems and entrepreneurship competitions.

Finding that Qatar's startup ecosystem is a vital engine of economic development and diversification, it said the efforts of entrepreneurs, academic and research entities, and public and private sectors have "significantly" strengthened the ecosystem in recent years.

This progress is evident in the well-connected and established network of startups that is now poised to capitalise on numerous opportunities for growth and success, it said, citing a prime example of "Startup Qatar" initiative.

This initiative provides a comprehensive support to startups, offering resources such as funding, business setup and registration support, access to information and other support services.

Stressing that the startup ecosystem holds huge potential for Qatar's economy as they are proven to be the engine of economic growth and job creation; the report said they also attract investments to the country by fostering the establishment of successful startups within the ecosystem

By enhancing the local business environment and attracting foreign direct investment, "Startup Qatar" aims to aid the growth of new ventures and position the country as a key player in the global startup landscape.

"This initiative underscores the significant progress Qatar has made in fostering entrepreneurship and developing a robust startup sector," it said.

Currently, Qatar hosts around 1,000 startups with immense potential for growth. The country performs exceptionally well on global indices for innovation, including ICTs (information and communication technologies), ecological sustainability and general infrastructure.

At the Qatar Economic Forum 2024, HE the Prime Minister Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani had announced $2.5bn in incentives to advance the country's programmes in AI (artificial intelligence), technology and innovation.

With the recent launch of Qatar Precision Health Institute (QPHI), Qatar is establishing itself as an R&D hub in the region and globally.

Stressing that the startup ecosystem holds huge potential for Qatar's economy as they are proven to be the engine of economic growth and job creation; it said they also attract investments to the country by fostering the establishment of successful startups within the ecosystem.

A startup ecosystem would enable Qatar to attract foreign investment as ecosystems facilitate the development of modern technologies and create synergies and the channels for attracting investments include investments and funding to grow and expand; technologies and innovation support to attract businesses; and a conducive business environment that supports startups and talent in Qatar.

The report said startup ecosystems will increase seed capital, which can encourage further venture capital and increase R&D in Qatar, it said.

Saudi Arabia seen to prioritise sports for NEOM plans as costs balloon

Reuters
Riyadh/Dubai

Saudi Arabia has scaled back lofty ambitions for its NEOM gigaproject to prioritise completing elements essential to hosting global sporting events over the next decade as rising costs weigh, three sources told Reuters a day after the sudden departure of the project's longtime CEO.

Crown Prince Mohammed bin Salman, has poured hundreds of billions of dollars into development projects through the kingdom's PIF sovereign wealth fund.

But the world's top oil exporter has had to rein in some of its ambitious plans over the past year as low oil prices and production continue to hit an economy still heavily reliant on hydrocarbon revenues.

NEOM, a Red Sea urban and industrial development nearly the size of Belgium that is due to house nearly 9mn people, is central to the prince's Vision 2030 plan to create new engines of economic growth beyond oil.

The crown prince originally announced NEOM in 2017 as a 26,500-square-km (10,230-square-mile) high-tech development with several zones, including industrial and logistics areas.

One part of the project is "The Line" — which was envisioned as a 200-metre-wide series of "modules" for different urban uses sandwiched between two 500-metre-high, 170-km-long mirrored exterior facades that cut through a vast array of desert and mountains.

"When the (NEOM) project was first pitched as an idea, costs were $500bn. However, The Line alone was going to cost over a trillion which was why it's been scaled back," one consultant with knowledge of the matter said.

The Line involves hanging pathways, gardens and a stadium and aims to run on 100% renewable energy.

But work on the project is now solely focused on finishing a 2.4kilometre stretch including a stadium that is expected to host the final match of the 2034 soccer World Cup, after which future plans will be evaluated, one of the three sources with direct knowledge of the matter said.

"The Line changed its plans (in) September and October to integrate the stadium which brought utility to the project because it will be used for the World Cup," he said.

Another priority is the completion of Trojena, a planned mountain resort which will host the Asian Winter Games in 2029, the same source said, adding that NEOM had been "scaled down and broken into chunks." The kingdom's government communications office and NEOM did not immediately reply to a request for comment.

"They are really looking at everything closely now, which makes sense because everyone across different projects was working in silos and there was a lot of overlap," the consultant said.

Project leaders have been working under extremely tight deadlines to deliver massive developments by the 2030 deadline with several schemes falling behind schedule or facing delays, multiple sources have previously said.

Two other sources familiar with the matter told Reuters that the departure of Nadhmi al-Nasr, the long-time chief executive, was partly due to his inability to deliver key goals.

NEOM has not commented on the reasons behind Nasr's departure.


Project renderings in the window of the NEOM pop-up store, showing the Sindalah Island development (right) and The Line, in Davos, Switzerland. Saudi Arabia has had to rein in some of its ambitious plans over the past year as low oil prices and production continue to hit an economy still heavily reliant on hydrocarbon revenues.

UK nears FTA with Gulf countries

Bloomberg
London

The UK is in the final stages of negotiating a free trade agreement with oil-rich Gulf nations, according to several people familiar with the matter.

A deal with the six-member Gulf Co-operation Council is a priority for the government of Prime Minister Keir Starmer as it looks to boost economic growth and attract foreign investment, and may be signed as early as this year, said UK and Gulf officials, who asked not to be identified as the information is private.

The UK's trade with the bloc, which comprises, Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Oman and Bahrain, is worth $73bn (£57bn) annually, according to the UK government. It sees an FTA boosting trade by around 16% and the UK economy by $2.1bn in the long term.

"Trade deals like this one play a vital role" in boosting the UK economy, the Department for Business and Trade said in a statement to Bloomberg. "We're seeking a modern trade deal with the Gulf as a priority, and our focus is securing a deal that delivers real value to businesses on both sides, rather than getting it done by a specific date."

If an agreement is concluded soon, it will give a boost to the Labour government, which has yet to sign any FTAs since coming to power in July. Starmer promised, during his election campaign, to reset international relations and attract more money from abroad to get the economy firing. FTAs can boost business between countries by lowering tariffs and easing other trade barriers.

The UK has struggled to negotiate trade agreements since leaving the European Union in 2020. While it's signed them with the likes of Australia and New Zealand, talks with the US and India have stalled. Other countries still in discussions with the UK include Switzerland and South Korea.

GCC countries have a gross domestic product of around $2.2tn, roughly the same as Brazil. Together, they were the UK's seventh-largest export market last year, according to British government data. The GCC has FTAs with New Zealand, Singapore and some others. It's in negotiations with the EU, India and China, though those talks have been going on for years.

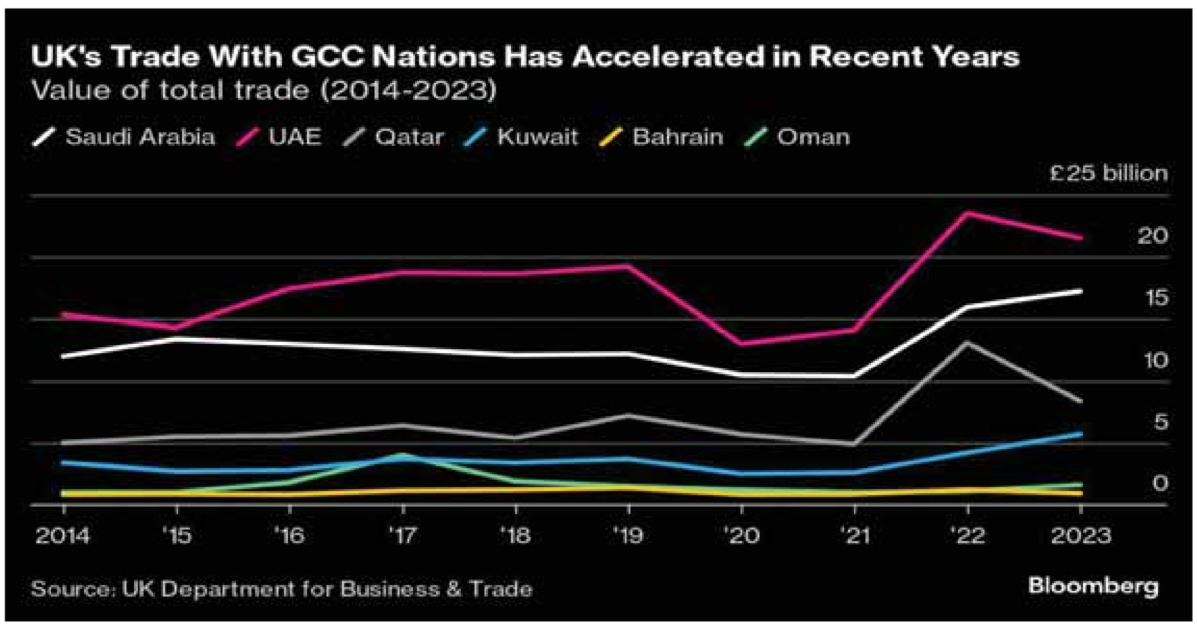
While the GCC is still heavily dependent on oil and gas, Saudi Arabia, the UAE and Qatar are spending hundreds of billions of dollars to diversify their economies and develop sectors such as artificial intelligence, chips manufacturing and tourism. They see foreign investment as crucial to their transformations.

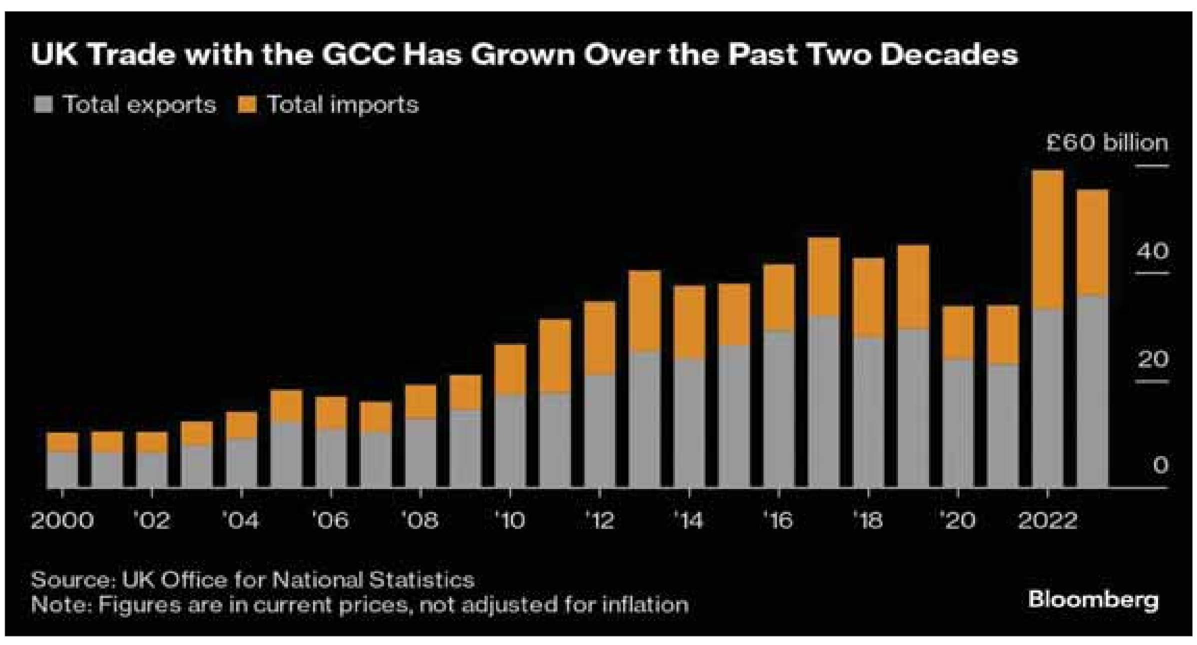
They also have some of the biggest sovereign wealth funds in the world. Saudi Arabia's Public Investment Fund, Abu Dhabi's Mubadala Investment Co and the Qatar Investment Authority have been large sources of foreign investment in the UK over the past decade. The UK and GCC have held seven rounds of trade negotiations since 2022. Business and Trade Secretary Jonathan Reynolds was in Dubai, the commercial capital of the UAE, this month as part of the UK's efforts to finish the talks.

"We see a real opportunity here, a real partnership that is very strong," he said to Bloomberg on November 1. A trade deal can "substantially improve on that." This is a modal window.

The UK government has said it won't compromise on its environmental, public health, animal welfare and food standards in the talks with the GCC. In addition, it's said the National Health Service and the services it provides are not on the table.

The FTA will potentially be followed by some of the GCC countries pursuing individual trade pacts with the UK. The UAE has signed several bilateral deals called Comprehensive Economic Partnership Agreements in recent years. They often address areas of trade not covered by the GCC's FTAs.





Etihad Airways nine-month profit up 66% on booming passenger numbers

Reuters
Dubai

Abu Dhabi carrier Etihad Airways reported a 66% increase in net profit in the first nine months of the year, helped by a double-digit increase in passenger traffic.

The state-owned airline made 1.4bn dirhams ($381mn) as of September 30, it said in a statement on Thursday, compared to 814mn dirhams in the same period a year earlier.

Total revenue increased 21% to 18.4bn dirhams with the airline carrying 13.6mn passengers over the year, which Etihad said marked a 35% increase compared to the previous year.

The airline has added flights and new routes.

"This impressive growth is driven by strong results in both passenger and cargo revenues, underscoring the effectiveness of our strategy and the strength of our growth trajectory," Chief Executive Antonoaldo Neves said in the statement.

According to Reuters calculations, Etihad made a profit of 549mn dirhams for the third quarter ending September 30 and revenue of 6.7bn dirhams.

Etihad's owner the Abu Dhabi sovereign fund ADQ is considering an initial public offering of the airline next year, sources previously told Reuters.


An Etihad Airways jet parked at the terminal at John F Kennedy International Airport in New York. The state-owned airline made 1.4bn dirhams ($381mn) as of September 30, it said in a statement on Thursday, compared to 814mn dirhams in the same period a year earlier.

World faces oil surplus in 2025 on weak demand: IEA


Chinese flags are seen on a street in Shanghai. Oil demand growth has been weaker than expected this year in large part because of China. After driving rises in oil consumption for years, economic challenges and a shift towards electric vehicles are tempering oil growth prospects in the world's second-largest consumer.

Reuters
London

Global oil supply will exceed demand in 2025 even if Opec+ cuts remain in place, the International Energy Agency (IEA) said on Thursday, as rising production from the US and other outside producers outpaces sluggish demand.

The prospect of a more than 1mn barrels per day (bpd) excess supply — equal to over 1% of world output — is a headwind for Opec+, which comprises the Organisation of the Petroleum Exporting Countries and allies such as Russia — in its plan to start raising output.

Oil demand growth has been weaker than expected this year in large part because of China. After driving rises in oil consumption for years, economic challenges and a shift towards electric vehicles are tempering oil growth prospects in the world's second-largest consumer.

"China's marked slowdown has been the main drag on demand," the IEA said in its monthly oil market report.

"Rapid deployment of clean energy technologies is also increasingly displacing oil in transport and power generation, adding downward pressure to otherwise weak demand drivers," the report added.

The Paris-based agency left its 2025 oil demand growth forecast little changed at 990,000 bpd.

At the same time, it expects non-Opec+ nations to boost supply by 1.5mn bpd, driven by the US, Canada, Guyana and Argentina — more than the rate of demand growth.

Next year's surplus, as forecast by the IEA, could make it harder for Opec+ to bring back production. Earlier this month, Opec+ again postponed a plan to start easing output cuts amid falling prices.

"Our current balances suggest that even if the Opec+ cuts remain in place, global supply exceeds demand by more than 1 mn bpd next year," the IEA said.

Oil prices traded slightly weaker after the report was released, with Brent crude trading below $73 a barrel.

The IEA also made a slight upward adjustment to its 2024 oil demand growth forecast of 60,000 bpd on the month to 920,000 bpd, on higher than expected gasoil demand.

"The sub-1mn bpd growth pace for both years reflects below-par global economic conditions with the post-pandemic release of pent-up demand now complete," the IEA said.

Forecasts on the strength of demand growth in 2024 vary widely, partly due to differences over demand from China and the pace of the world's switch to cleaner fuels, and the IEA's view is at the lower end of industry estimates.

Abu Dhabi's $1tn fund rejigs strategy to speed up deals

Bloomberg
Abu Dhabi

Abu Dhabi's $1tn wealth fund is embracing an increasingly scientific approach to investing, leaning more on its own quant team to speed up decision-making as it seeks to bolster returns.

Abu Dhabi Investment Authority — ADIA — is using a 125-person division of data scientists to guide in-house investing, officials at the fund said in rare public comments to Bloomberg News. As part of the broad changes, it's also putting money more rapidly in private credit and has continued to ramp up allocations to private equity.

In addition, ADIA is working with a wider range of hedge funds offering everything from long-only bets to quant wagers, although its overall exposure to that sector won't necessarily increase.

The changes haven't previously been disclosed and mark a shift from the days when sovereign funds like ADIA were more focused on liquidity in the portfolio or conservative investments like government bonds and real estate. Given ADIA's size — it's the biggest Gulf wealth fund and the world's fourth-largest — even small tweaks can reverberate through the global financial ecosystem.

"The key driver for the important changes we've made in recent years is that the external environment has changed," said Jean-Paul Villain, director of the fund's strategy and planning department. "There are now fewer market inefficiencies, traditional asset class boundaries are blurring, and opportunities are shorter-lived and require faster execution."

ADIA is one of several Abu Dhabi sovereign entities that together wield almost $1.7tn in wealth, according to consultancy Global SWF. That's helped the emirate attract international heavyweights ranging from Goldman Sachs Group Inc to Brevan Howard Asset Management LLP and Ray Dalio's family office.

Like many other wealth funds, ADIA closely guards its investment strategies. It was set up in 1976 to invest the emirate's surplus energy revenues, diversify its economy and prepare the United Arab Emirates' capital for life after oil.

Executives have been working behind the scenes on the transformation for five years. They first started to discuss plans to transform the fund's strategy at ADIA's Abu Dhabi headquarters, a skyscraper with views of the Arabian Gulf, at the height of the pandemic.

The fund has already been a prolific investor, and was one of the backers of Bobby Jain's high profile hedge fund startup, Bloomberg News reported at the time.

In the first three quarters of the year, ADIA and Abu Dhabi's two other main funds combined invested $36bn broadly, according to data from Global SWF.

Further glimpses of the changes afoot at ADIA are present in the expansion of its in-house science lab, including a recent hire — Naveed Malik from New York-based multi-strategy hedge fund, Millennium Management.

Malik was hired for the fund's quantitative research & development team, which boasts experts in artificial intelligence, machine learning, big data and high-performance computing. That division's analysis now helps spot opportunities quickly and invest cash faster.

"We're using our increased data and scientific skills to assist the senior investment team to make dynamic allocation decisions," Villain said. "This means we're faster at changing our equity exposures to capitalise on time-bound opportunities, for instance in certain sectors or geographies."

The changes are already having an impact.

Case in point: the booming $1.7tn private credit market where ADIA has been making inroads through a series of investments. The fund boosted its exposure to real estate private credit fund Cheyne Capital in March. It's also committed $1bn to a new vehicle set up by Barclays Plc and AGL Credit Management.

Those forays are the result of its newfound ability to have different divisions move more quickly, at scale and with fewer restrictions than previously. "We have been able to quickly scale into private credit while conditions are favourable, without adopting a one-size-fits-all approach across asset classes," said Hamad Shahwan Aldhaheri, executive director of private equities.

While the fund doesn't disclose how much money it's ploughed into different asset classes, Global SWF estimates ADIA's private markets investments have doubled in five years to $209bn. It has now emerged as "one of the most aggressive allocators to alternative asset classes," said Diego Lopez, who's head of the research consultancy.

Those changes also mean that ADIA is now investing across a broader range of hedge funds today than previously, mostly because its equities department is doing more in this area than before.

That division now has different and higher return targets so it is working with managers offering equity and equity-related long-only, long-short, quant and market neutral strategies, executives said.

Moving more quickly also means wielding more control over investment decisions.

In the "core portfolio department" which manages ADIA's passive equity and fixed income assets, more assets are being managed internally rather than relying on external providers. The proportion of internally-managed assets stands at 64% today from 55% two years ago.

At the same time, ADIA has created new departments, consolidated others and built its middle and back office capabilities. The change was driven by what it calls total portfolio management, a switch from the fund's previous approach when each department had its own targets.

With the reforms, the fund also changed the way it benchmarks its own results, although it doesn't announce returns publicly. The fund is moving away from a mostly relative return focus to using many more absolute and total return elements to assess performance internally. As a result, outperforming a benchmark is no longer the only measure of success for different departments.

"Today, we can view the total portfolio in a more granular way and through different lenses," said Dhaen al-Hameli, executive director of ADIA's core portfolio department.

A woman feeds seagulls at the seaside corniche in Abu Dhabi, the capital of the UAE. ADIA is one of several Abu Dhabi sovereign entities that together wield almost $1.7tn in wealth, according to consultancy Global SWF. That's helped the emirate attract international heavyweights ranging from Goldman Sachs Group to Brevan Howard Asset Management and Ray Dalio's family office.

ADIA boosts private equity allocation

Bloomberg
Abu Dhabi

The Abu Dhabi Investment Authority, which manages around $1tn in assets, plans more investments in the private equity sector, underlining its clout as a globally influential dealmaker.

ADIA last year boosted it targeted allocation to private equity to 12%-17% of its overall portfolio, according to its 2023 annual review published on Thursday. That was up from 10%-15% a year earlier. The allocation to all other asset classes, including developed market equities or real estate, remained unchanged.

The fund's increased focus on private equity comes as rising interest rates last year damped dealmaking activity in the sector which plunged to its lowest level in five years, according to the review.

Despite the challenges, ADIA's private equity department made over 20 direct investments of more than $150mn. It also invested in some of its existing portfolio companies to support growth opportunities including acquisitions, it said.

Last year's market dislocation also meant that private creditor providers increasingly play a major role in funding leveraged buyouts, according to the report. ADIA made further inroads in that space, anchoring several investments in platforms such as Jefferies Credit Partners' Direct Lending BDC and Overland Advisors, a partnership between Centerbridge and Wells Fargo that's focused on non-sponsored middle-market direct lending.

"Overall, ADIA was well positioned to capitalise on the strong gains in parts of these markets, while benefiting from dislocations in areas where conditions were more challenging," said ADIA's managing director Hamed bin Zayed al-Nahyan.

ADIA's widening interest in private equity and credit is one of the many ramifications of the fund's internal overhaul that took place in recent years.

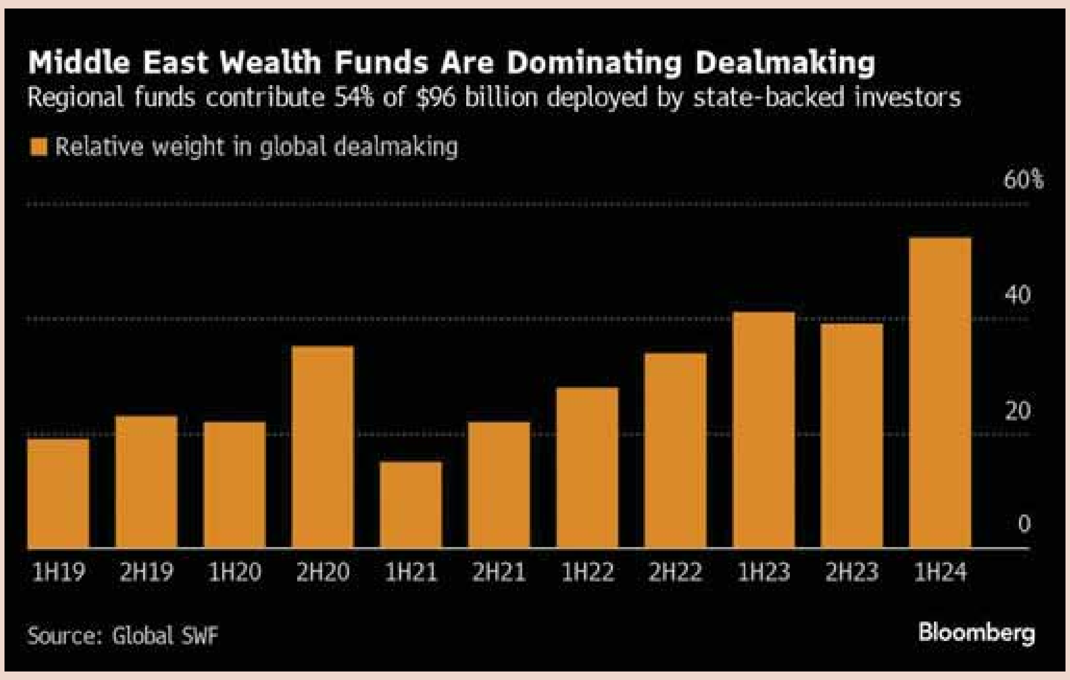
The investment behemoth adopted a more data-driven approach by reorganising departments and setting up an in-house team staffed with more than a hundred artificial intelligence, computing and math scientists with the aim of making the entire fund more nimble and faster in its decisions.

ADIA is one of several Abu Dhabi sovereign entities that combined manage almost $1.7tn in wealth, according to consultancy Global SWF. That's helped the emirate's financial centre attract some of the biggest international names in asset management and investing.

"In private equity, for example, ADIA has leveraged its often decades-long relationships in the sector to broaden and deepen how it accesses the sector, and ultimately enhance returns," said Hamed bin Zayed al-Nahyan.

In the first three quarters of the year, ADIA and Abu Dhabi's two other main funds together invested $36bn across the globe, according to data from Global SWF.

Looking forward, ADIA in its review pointed to the various elections that took place around the globe, saying that voters' decisions will have significant impact on domestic policy and relations between countries.



Experts confirm strength of Qatar-Turkiye economic ties

QNA
Ankara

Turkiye and the State of Qatar possess components of economic integration through trade co-operation across numerous economic sectors shared by the two countries, Turkish economic experts and analysts confirmed.

Speaking to Qatar News Agency (QNA), they underscored the importance of the 10th Session of the Qatari-Turkish Supreme Strategic Committee, which convened in Ankara, in giving impetus to the economic and trade co-operation between the two countries, as well as exploring new economic opportunities for the shared interests of the two nations.

In this regard, Vice-President of the International Business Forum, Gazi Misirli, noted the strength of the Qatari-Turkish ties, especially that they are constantly evolving in all fields, particularly in economy and tourism, adding that the bilateral relationship has remarkably advanced in the economic arena, with significant growth in shared investments between the two nations, as well as a boom in trade exchange.

Qatar-Turkiye joint co-ordination in the economic area has become more robust than ever and has entered a new phase of strategic co-operation in the long term, Misirli underlined.

Chairperson of the Arab-Turkish businessmen Association in Istanbul (ARTIAD), Jamal Al Din Kareem, said that Qatari-Turkish relations are currently the best in both the political and economic spheres, given the close rapprochement they have forged over the past decade. He underscored Turkiye's unwavering support for co-operation and partnership between the Turkish and Qatari businessmen, affirming that elevating the co-operation between Turkish and Qatari businessmen and investors is essential in the coming period.

Given the growing economic co-operation, the political harmony and converging perspectives, the bilateral relationship has been evolving increasingly, culminating in Turkiye being a crucial destination for Qataris. Subsequently, interest in the banking and real estate investment sectors by Qatari investors has been on an upward trajectory, ultimately leading them to secure the top position among foreign investors in Turkiye in 2018, Kareem highlighted.

During his participation in the conference titled Business and Investment Opportunities in Turkiye, held in Doha recently, Turkish Minister of Treasury and Finance, Mehmet Simsek, described the Qatari-Turkish political and economic ties as incredible, highlighting that they underscored the constantly evolving trade relations. Conditions are favourable to reinforce this relationship and pave the way for businessmen to forge further trade relations, Simsek said.

The bilateral relationship has been strengthening in recent years across all fields, with a particular emphasis on economic ties.

Over 711 Turkish firms are operating in Qatar, including 664 with joint Qatari-Turkish capital, 47 fully Turkish-owned, and 15 located in Qatar's free zones. Additionally, more than 183 Qatari firms are operating in Turkiye.

Qatar's direct investments in Turkiye have largely increased to a value of $33.2bn, whilst the value of projects implemented by Turkish construction firms in the Qatari infrastructure reached $22bn.

In the tourism segment, the number of Qatari visitors to Turkiye increased to 30,000 in 2016, then rose to nearly 110,000 in 2019, and over 150,000 in 2023.

The two nations established the Qatar-Turkiye Business Council, which periodically convenes between the Foreign Economic Relations Board of Turkiye (DEIK) and the Qatari Businessmen Association (QBA).

Turkiye is considered one of the major economies whose GDP draws on diverse sectors, including industry, tourism, services, investment, banking, and agriculture, and recently has remained one of the preferred tourism destinations for Qataris, thereby undergirding its economy.

Qatari-Turkish Supreme Strategic Committee seen to bolster economic relations

QNA
Ankara

The 10th Qatari-Turkish Supreme Strategic Committee will further cement bilateral economic relations and break new grounds for co-operation, said Turkish Minister of Trade Omer Bolat.

Speaking to Qatar News Agency (QNA), he hailed the Committee as a key platform to assess existing Qatar-Turkiye relations across multiple areas, particularly the economy and trade.

He added that the committee has brought about the signing of over 100 agreements, protocols for co-operation, and memoranda of understanding, aligning with the countries' strategic co-operation objectives. The agreements covered a broad range of areas, including defence industries, infrastructure, logistics services, free zones, and other key sectors.

Highlighting the committee as a bridge to boost bilateral relations, Bolat said the mechanisms emanating from its meetings ensured regular co-ordination between state agencies as well as between the private sectors of both countries.

Bolat also pointed out that the Qatari-Turkish Joint Committee for Economic and Trade Co-operation had discussed various aspects of trade and economic relations, with its first session in February 2024 having discussed organising a business forum and a roundtable meeting, which gave a boost to bilateral trade and economic relations.

Bilateral economic relations significantly grew over the past decade, Bolat said, noting that the 2022 trade volume recorded $2.3bn but dropped to $1.3bn in 2023, with Turkish exports to Qatar at $791mn and imports from Qatar at $543mn. The trade volume from January to October 2024 stands at $933mn.

But he voiced hopes that bilateral trade potential would be expanded with the implementation of the 2018 economic partnership agreement.

Turkish exports to Qatar include defence industry products, machinery, electrical appliances, metal goods, furniture, textiles, and clothing. Meanwhile, imports from Qatar include unprocessed aluminium, polyethylene, organic and inorganic chemicals, fertilisers, gold, jewellery, and electronic control products.

Bolat added that Qatar emerged as the eighth-largest market for Turkish construction services, with Turkish contractors having implemented 198 projects in Qatar at $20.3bn. Turkish companies have also contributed to several vital projects in Qatar.

Speaking of mutual investments, he said that Qatari direct investments in Turkiye amount to $4.9bn across sectors such as finance, banking, port management, and poultry production. Turkish investments in Qatar total $48mn, mainly in defence, textiles, electrical cables, and service sectors.

Both countries are exploring ways to boost joint investments further, Bolat said, unveiling that both sides are in the final stages of technical negotiations to sign new agreements and protocols to expand co-operation across numerous sectors.

Bolat explained that bilateral agreements and protocols include streamlining trade, co-operation in contracting services in third countries, consumer protection, market monitoring, auditing, technical regulation, standardisation, accreditation, and compliance, highlighting both countries' commitment to global co-operation.

He observed an increasing interest among Qatari and Turkish investors and companies to collaborate on joint projects in third countries, which could significantly boost investment and trade co-operation between the two countries.

Bolat added the 10th Supreme Strategic Committee would beef up mutual investments and facilitate partnerships on investments in third countries, leveraging Turkiye's economic performance in recent years, Qatar's investment potential, and the strategic alignment between the two nations.

He emphasised that the positive and exemplary high-level relations between Qatar and Turkiye are a guarantee for enhancing trade and investments. Agreements such as the Reciprocal Promotion and Protection of Investments and the Avoidance of Double Taxation have greatly facilitated joint investments.

He reaffirmed Turkiye's support for Qatari investments, with the country's Investment Office actively assisting Qatari companies with their investments, providing guidance and removing obstacles. Likewise, Qatari authorities offer necessary support and facilities for Turkish companies.

On potential co-operation in technology and innovation, Bolat noted that the Qatar National Vision 2030 aims to increase investments in technology and innovation domestically and abroad, with Qatar also showing interest in emerging investments in Turkiye.

Bolat reiterated his country's unwavering support for Qatari and Turkish companies to elevate bilateral trade and economic relations. He added that Turkiye places particular importance on its relations with Qatar and other GCC countries.

Buying in telecom, industrials and realty lifts QSE; Islamic stocks outperform

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday gained more than 35 points on the back of buying interests, especially in the telecom, industrials and real estate counters.

The Gulf institutions were seen net buyers as the 20-stock Qatar Index rose 0.34% to 10,455.08 points, although it touched an intraday high of 10,481 points.

The foreign funds' weakened net profit booking had its effect on the main bourse, whose capitalisation added QR1.11bn or 0.18% to QR619.51bn primarily on the back of microcap segments.

The domestic institutions continued to be net buyers but with lesser intensity in the main market, which saw as many as 0.03mn exchange traded funds (sponsored by Masraf Al Rayan) valued at QR0.07mn change hands across eight deals.

The Islamic index was seen outperforming the other indices of the main bourse, whose trade turnover and volumes were on the increase.

The local individual investors continued to be bullish but with lesser vigour in the main market, which saw no trading of treasury bills.

The Arab retail investors were seen net sellers in the main bourse, which saw no trading of sovereign bonds.

The Total Return Index gained 0.34%, the All Islamic Index by 0.52% and the All Share Index by 0.17% in the main market.

The telecom sector index shot up 1.65%, industrials (0.93%), realty (0.54%), transport (0.21%) and consumer goods and services (0.04%); while insurance declined 0.5% and banks and financial services 0.26%.

Major movers in the main bourse included Widam Food, Ooredoo, Industries Qatar, Doha Bank, Gulf Warehousing, Inma Holding, Qatar Electricity and Water and Barwa.

In the venture market, both Al Mahhar Holding and Techno Q saw their shares appreciate in value.

Nevertheless, as much as 51% of the traded constituents were in the red with major losers being Qatar General Insurance and Reinsurance, Al Faleh Educational Holding, QLM, Mekdam Holding, Commercial Bank, Gulf International Services and QNB.

The Gulf institutions turned net buyers to the tune of QR2.04mn compared with net sellers of QR14.25mn on November 13.

The foreign institutions' net selling decreased substantially to QR27.83mn against QR40.23mn the previous day.

However, the Arab individuals were net sellers to the extent of QR2.28mn compared with net buyers of QR2.32mn on Wednesday.

The Arab institutions turned net profit takers to the tune of QR0.03mn against no major net exposure on November 13.

The domestic institutions' net buying declined markedly to QR24.13mn compared to QR31.34mn the previous day.

The Qatari individual investors' net buying weakened significantly to QR2.86mn against QR25.94mn on Wednesday.

The foreign retail investors' net buying weakened noticeably to QR0.71mn compared to QR5.31mn on November 13.

The Gulf individual investors' net buying eased marginally to QR0.39mn against QR0.93mn the previous day.

Trade volumes in the main market were up 1% to 133.49mn shares, value by 7% to QR387.22mn and transactions by 7% to 16,426.

The venture market saw a 60% surge in trade volumes to 1.07mn equities, 62% in value to QR2.62mn and 10% in deals to 89.

Stronger greenback supports dollar-pegged Qatari riyal, says Oxford Economics

By Pratap John
Business Editor

Stronger greenback has supported the dollar-pegged Qatari riyal at QR3.64 and there is little chance of Qatar de-pegging in the near to medium term, according to researcher Oxford Economics.

Under the researcher's data-driven methodology, the exchange rate risk score is now 1.5, lower than six months ago and well below the Mena average of 4.2.

The low risk score reflects authorities' long-standing commitment to the US dollar peg, as well as large foreign exchange reserves.

In 2020, risk rose when the current account shifted into deficit, but the score improved in 2021 as the current account shifted back to surplus as exports recovered and oil and gas prices rebounded from 2020 lows.

The surplus was wide at 17.1% of GDP in 2023.

"We project a narrower surplus of 13% of GDP this year and 12.1% in 2025," Oxford Economics noted in an outlook.

The sovereign credit risk score under Oxford Economics' methodology is 3.0, well below the Mena average of 4.4. The score reflects high per capita incomes, large government reserves, strong external finances, and political stability.

The budget deficit in 2017 was temporary, returning to a surplus in 2018, but it began to narrow again in 2019 and, due to the slump in oil and gas prices, moved into a deficit of 2.1% of GDP in 2020.

The balance returned to a surplus in 2021, with surpluses of 10.4% in 2022 and 5.6% in 2023 of GDP amid supportive oil and gas revenues.

"We forecast a surplus of 3.1% of GDP this year and 3.2% in 2025," Oxford Economics said.

The main rating agencies had downgraded Qatar to AA-/Aa3 in response to the regional dispute in 2017. Given that ties have been restored and public finances have improved, the ratings have been on an upward trajectory. Fitch raised its rating back to AA in April. This followed a positive move from Moody's earlier this year when it raised the rating to Aa2. S&P was the first to return Qatar's rating to AA.

Trade credit risk – a measure of private-sector repayment risk – is very low by regional standards at 3.0, compared with the regional average of 6.1.

The main factors underpinning this rating are macroeconomic stability, the credible and well-established exchange rate regime, robust growth, extremely high GDP per capita, and a healthy, well-developed banking sector.