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Sustainable aviation fuel plays pivotal role in decarbonisation programmes



# Qatar keen on encouraging FDI to boost digital sector

**By Santhosh V Perumal**
Business Reporter

Qatar, which has earmarked QR9bn to achieve digital transformation, yesterday reiterated its unwavering commitment to develop a digital ecosystem and said it is developing a specialised programme to encourage foreign direct investment in the sector.

Addressing the Digital Ecosystem Conference, organised by Ooredoo Group, HE the Minister of Communications and Information Technology Mohammed bin Ali al-Mannai said the (specialised) programme focuses on facilitating the necessary procedures to support emerging technology companies and providing incentives that contribute to attracting global investors.

Highlighting that the legislative and regulatory system is being constantly developed in Qatar, he said the secure data law will be issued soon, which represents a new addition to enhance the regulatory and legislative environment.

Through these efforts, the Ministry of Communications and Information Technology (MCIT) seeks to open new horizons for economic growth, ensure the comprehensiveness of the digital system, and enhance the competitive position of Qatar at the international level, he told the conference, themed "Legislation and Regulation to Drive a Successful Digital Economy."

Highlighting that Qatar has allocated QR9bn ($2.5bn) for digital transformation programmes through investment in emerging technology, innovation, and artificial intelligence (AI), al-Mannai said these investments are the foundation on which Qatar builds its digital future.

The Digital Agenda 2030 is at the heart of this transformation, he said, adding it is a roadmap to accelerate digital transformation in Qatar, a strategy to build a knowledge-based economy, reduce dependence on oil resources, and enhance the country's position in the field of innovation.

He said the country's journey in the digital transformation is not limited to adopting new technologies but focusing on creating a digital environment where new companies can grow.

Ooredoo Group chief executive officer Aziz Aluthman Fakhroo said emerging technologies and their many applications are advancing at such a rapid rate that the old model, where authorities create rules and sector participants follow them, just isn't enough anymore.

"Instead, we need a collaborative framework and an ecosystem where different participants and stakeholders approach policymaking and regulatory intervention together," he said, adding as sector participants, Ooredoo understands these technologies, their commercial potential and the risk that they may bring.

Working closely with regulators is essential for creating an environment that encourages investment while ensuring public safety, trust, and fair competition, according to him.

"A key message I want to share today is that it's not emerging technologies themselves that necessarily need regulating. Its specific use case they enable," he said.

Highlighting that in a world where the industries are intertwined and work in partnership, Fakhroo said Ooredoo Group is now regulated by many stakeholders as the telecom regulator, the central bank and financial oversight authorities.

"How do these different stakeholders collaborate together to create a proper environment for investment and innovation is the key," he said.


HE the Minister of Communications and Information Technology Mohammed bin Ali al-Mannai outlines Qatar's unwavering commitment to develop digital ecosystem. ***Right:*** Ooredoo Group chief executive officer Aziz Aluthman Fakhroo. **PICTURES:** Thajudheen

# UNDP and Ooredoo join hands to lead digital transformation across Arab region

**By Santhosh V Perumal**
Business Reporter

The United Nations Development Programme (UNDP) joined hands with the Ooredoo Group to announce a joint initiative to establish a comprehensive policy framework to accelerate digital transformation across the Arab region.

The initiative - which also engages the industry leader, Global Systems for Mobile Communication (GSM Association) as a technical partner - was launched at Ooredoo's inaugural Digital Ecosystem conference.

The initiative adopts a multi-phased approach, beginning with an evaluation of existing digital regulatory frameworks and adapting them to meet the distinct needs of the Arab region.

The Phase 1 will identify global best practices and develop assessment criteria to benchmark each country's digital policy context. The framework will initially be piloted in a selected country, setting a model for regional adoption.

The UNDP's regional bureau for Arab states and the Ooredoo Group will further explore developing additional collaborative regional projects under this initiative.

This initiative not only responds to the urgent need for cohesive digital regulations and policies that support sustainable economic growth but also propose a policy and regulatory framework that fosters investment, reduce transactional friction, and support cross-border innovation; thus enhancing digital readiness in Arab countries and helping them seize opportunities within a rapidly expanding digital economy.

"In today's rapidly evolving digital landscape, cohesive policies are essential for fostering inclusive economic growth and resilience," said Sussanne Dam Hanse, deputy director, Amman Regional Hub, UNDP.

The partnership marks an important contribution to unlocking the vast potential of the digital economy across the region, she said, adding by creating a unified digital policy framework, the initiative is fostering an environment where innovation can thrive, the digital divides bridged, and sustainable development is within reach for all.

The framework will be developed with the expertise of leading organizations and will serve as a guide for policymakers to create regulatory contexts conducive of private sector investments and sustainable digital growth.

Without supportive, harmonised policies, the full potential of digital economies remains untapped," Hilal Mohammed al-Khulaifi, Chief Legal Regulatory and Corporate Governance Officer, Ooredoo, said.

He said: "Our collaboration with UNDP and GSMA brings together unparalleled expertise, marking a landmark step toward creating a digital ecosystem that fosters sustainable progress across Middle East and North Africa region."

UNDP and Ooredoo officials on the sidelines of Digital Ecosystem conference.


QNB executives at the Rowad Conference and the Arab Entrepreneurship Conference 2024. The sponsorship aligns with QNB's strategy to emphasise the importance of supporting SMEs, adopting sustainable business practices, and supporting innovation to build a better future, while reinforcing the bank's commitment to support Qatar National Vision 2030 and strengthen diverse economies.

# QNB Group 'strategic sponsor' of Rowad conference

QNB Group participated as a Strategic Sponsor of the Rowad Conference and the Arab Entrepreneurship Conference 2024, which was hosted by Qatar Development Bank, in support of SMEs and sustainable growth.

This sponsorship aligns with QNB's strategy to emphasise the importance of supporting SMEs, adopting sustainable business practices, and supporting innovation to build a better future, while reinforcing the bank's commitment to support Qatar National Vision 2030 and strengthening diverse economies.

Commenting on the partnership, Khalid Ahmed al-Sada, Senior Executive Vice-President, Group Corporate and Institutional Banking at QNB, said: "Our sponsorship comes to strengthen our partnership with Qatar Development Bank and provide the necessary support for businesses and initiatives related to sustainable development, being an essential pillar of the Group's long-term strategy.

"Sustainability and innovation are essential pillars of the Group's vision to help elevate sustainable growth. We are proud to be a part of this unique conference, to help shed the light on the importance of supporting entrepreneurs and SMEs."

This year's edition of the conference featured a diverse range of activations, all designed to support startups and SMEs. It also provided valuable training and investment opportunities while fostering partnerships that can boost the entrepreneurship ecosystem.

# Commercial Bank wins top accolade at Mastercard East Arabia Business Forum in Singapore

Commercial Bank, a leader in innovative banking solutions in Qatar, has received a major accolade at 'Mastercard East Arabia Business Forum' held in Singapore for its highest spend per account across the region on its Mastercard Limited Edition World Elite portfolio for the second year in a row.

The awarding ceremony was attended by Shahnawaz Rashid, executive general manager and head of Retail Banking of Commercial Bank, and Srikumar Chandrot, head of Cards Issuance, Products and Portfolio of Commercial Bank.

This key milestone reinforces Commercial Bank's extensive leadership and growing stature in the cards sector and reflects its commitment to delivering exceptional value to customers in Qatar and the region. Over the past six months, Commercial Bank has achieved the highest spending levels and has outpaced local competitors in transaction volumes, solidifying its position as a market pioneer.

"As Commercial Bank stands at the crossroads of innovation and banking, we feel proud to receive these prestigious awards which embody our unwavering commitment to innovation, customer satisfaction, and market leadership," said Rashid. "These accomplishments stand as a tribute to the dedication and hard work of our team, who consistently go above and beyond to provide exceptional value and service to our customers."

Commercial Bank continues to redefine the banking landscape through innovation and customer-centric banking solutions in an increasingly digital-first world. The bank remains committed to providing best-in-class financial services to its customers, driving growth and prosperity in Qatar's banking sector.

Rashid also took part in the exclusive panel discussion "Sparking Conversation: Can everyone be a winner in today's ecosystem of traditional banks, challenger/digital banks, and fintech? How to make the most of co-opetition dynamics?" in Singapore Fintech Festival alongside EVP Products & Innovation, Asia Pacific, Mastercard, and a leading fintech CEO from the Gulf on the panel.

Rashid shared Commercial Bank's perspective on how traditional banks and fintechs can collaborate effectively, creating mutual value for customers while leveraging their unique strengths.

During the discussion, he shed light on the importance of collaboration between traditional banks and fintechs, stating that fintechs bring agility and digital innovation while traditional banks like Commercial Bank offer trust, stability, and comprehensive services built over decades. Together, they harness each other's strengths to drive progress and innovation in the banking sector.

The panel also delved into the future of data-driven banking, discussing how banks can leverage comprehensive customer data across various touchpoints to deliver highly personalised financial experiences.

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# BUSINESS

## 5th World Arbitration Conference concludes with key recommendations

The '5th World Conference on International Arbitration' concluded its activities yesterday with a slew of significant recommendations.

Organised by the Qatar International Centre for Conciliation & Arbitration (QICCA), the two-day event held under the theme 'Arbitration in the Mena Region – Present and Future.'

In the closing session, QICCA secretary-general Ibrahim Shahbik announced the conference's recommendations, which included allowing the review of Court of Appeal rulings on arbitration awards by the Court of Cassation and seeking UNCITRAL's recommendations when drafting arbitration and mediation legislation.

Recommendations also included issuing lists of qualified arbitrators along with clear guidelines and conditions to govern the appointment of arbitrators by competent courts in cases of ad hoc arbitration and developing advisory guidelines to regulate the conduct of arbitrators in ad hoc arbitration to enhance the arbitration process.

They paid tribute to the judicial approach that supports arbitration by facilitating the recognition of arbitration agreements by reference, while emphasising that this should only apply in clear reference cases, as per the established practice in comparative jurisprudence among model law jurisdictions.

It also called for the development of rules on arbitrators' disclosure process prior to issuing appointment awards in ad hoc arbitration, as well as the activation of the role of mediation in resolving disputes before the Investment Court in accordance with the Qatari Mediation Law.

The conference featured seven panel discussions on various topics related to international arbitration, with 35 speakers from prominent figures in international arbitration from GCC, Arab, and foreign countries.

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# Doha Bank, Edaa join forces to enhance financial transparency and combat financial crimes

Doha Bank has signed a landmark memorandum of understanding (MoU) with Edaa to strengthen data security, streamline financial operations, and enhance anti-money laundering (AML) and counter-terrorism financing (CTF) measures in Qatar's financial sector.

The agreement, signed by Sheikh Abdulrahman bin Fahad bin Faisal al-Thani, Group CEO of Doha Bank, and Mohammed al-Hetmi, acting CEO of Edaa, establishes a framework for secure data exchange, improved operational efficiency, and heightened compliance with international standards.

Under the MoU, both parties will collaborate to ensure the secure exchange and verification of shareholders' data; implement advanced AML and CTF measures, including risk assessments, due diligence, and compliance audits; and enhance transparency by verifying the integrity of transactions and ensuring compliance with sanctions.

Sheikh Abdulrahman said, "This partnership with Edaa underscores our unwavering commitment to transparency, data security, and regulatory excellence. By leveraging cutting-edge technologies, we aim to meet evolving global standards, safeguard the financial system, and contribute to Qatar's economic resilience."

Al-Hetmi said, "This MoU reflects our shared vision of a transparent and secure financial ecosystem. By uniting efforts to combat financial crimes, we are paving the way for a robust financial market that upholds Qatar's position as a global financial hub."

The collaboration aligns with Qatar's National Vision 2030, reaffirming Doha Bank and Edaa's dedication to innovation, governance, and sustainable development within the financial sector.

The agreement, signed by Sheikh Abdulrahman bin Fahad bin Faisal al-Thani, Group CEO of Doha Bank, and Mohammed al-Hetmi, acting CEO of Edaa, establishes a framework for secure data exchange, improved operational efficiency, and heightened compliance with international standards.

## GCC legal system to see 'significant positive' changes in 5-10 years thanks to AI, says QICDRC registrar

**By Santhosh V Perumal**
Business Reporter

The legal system in the Gulf Co-operation Council (GCC) is all set to see drastic positive changes over the next decade in view of the increasing use and innovation of AI (artificial intelligence), according to a senior official of the Qatar International Court and Dispute Resolution Centre (QICDRC).

"Over the next five to ten years, I expect there will be significant and positive changes in the legal sector in the GCC as a result of greater use and innovation using AI," Umar Azmeh, Registrar of QICDRC, said in an article in *Lexis Middle East Law Alert*, which was distributed at the Digital Ecosystem conference, organised by Ooredoo Group.

Within the courts, the main opportunities, according to him, will come from the significant savings in time and resources, which will be important as generally courts are public bodies with finite resources.

"In addition, the AI innovations we are already starting to see will make case management processes easier and more efficient – resulting in greater access to justices," he said.

There is also the potential for a greater use of AI decision making tools by lawyers at the pre-litigation stage but also potentially in the future by judges, he said.

Expecting AI tools to be used as decision making aids by judges, rather than a means of making automatic final decisions in cases; Azmeh said AI has the potential to become a very valuable tool for judges in the courts, as it could sift through large volumes of material to spot patterns judges could then interpret, improving the consistency of case decisions.

Finding that with the public release of scaled large language models (LLMs) such as ChatGPT, industries and sectors of all types across the world have been looking at ways in which they can harness and benefit from AI, he said: "In this respect, Middle East Courts, including the QICDRC in Qatar are no different."

Umar Azmeh, QICDRC Registrar.

Within a court system, an AI system can either be internal facing or external facing, he said, adding internal AI systems can assist the court, court staff and judges with case progression and decision-making.

In this regard, he said, AI can be used to scan and review case papers which are often long, made up of huge numbers of documents and can include complex data, in order, to provide summaries of complex financial data which identifies patterns, or they can be used to automate procedural tasks such as the acceptance and service of a case on behalf of a claimant, which helps make judicial procedures faster and cheaper, improving access to justice.

The external facing AI in a court context is technology which assists court users, he said.

It may be possible to put programmes in place that review the paperwork which has to be provided to the court to ensure the parties have fulfilled all the mandatory requirements when they file their case and reduce the risk of cases being rejected because of purely procedural mistakes, according to him.

"Since our first case in 2009, the QICDRC Courts have prided themselves with having a case management system that has a strong technological setup through which cases process and having an online hearing system which allows simultaneous translation so parties from all over the world can participate in cases being heard in our courts live on our website," Azmeh said.



QDB CEO Abdulrahman Hesham al-Sowaidi.

## QDB wraps up 10th edition of Rowad Conference and 3rd Arab SMEs Summit

Qatar Development Bank (QDB) concluded yesterday the 10th edition of the Rowad Entrepreneurship Conference and the third Arab SMEs Summit 2024.

Held under the theme 'Navigating Digital Horizons', the latest edition attracted more than 5,000 visitors and participants from 22 Arab countries, in the largest event of its kind across the Arab world this year. The conference was designed to promote innovation and sustainable growth among startups and SMEs across the region.

The conference highlighted digital transformation as a fundamental pillar for advancing entrepreneurship and featured a diverse set of activities and programmes that brought together senior policymakers, entrepreneurs and investors to discuss digital transformation, green projects, and the regional expansion of startups.

The second day of the conference featured the sixth edition of the Investment Forum, which focused on enabling startups to tap quality investment opportunities and connect with prominent investors and experts who could propel their growth and expansion.

In his closing remarks, QDB CEO Abdulrahman Hesham al-Sowaidi, said: "Together we witnessed inspiring moments of creative collaboration and the potential to invest in our Arab development plans. We are proud to provide this important platform to hundreds of Arab entrepreneurs, and reaffirm our commitment to collaboration to ensure a prosperous future driven by growth in line with the region's great ambitions."

ESCWA under-secretary-general and executive secretary of Economic and Social Commission for Western Asia, Dr Rola Dashti and partners announced several commitments, including the building e-commerce platforms for 200 companies to enhance their access to new markets.

Dashti said, "The strength of SMEs lies in their ability to innovate, adapt, and transform challenges into opportunities. They are the pulse of our economies."

She urged entrepreneurs to believe in themselves, as they are the key to building a prosperous and more inclusive future for the region.

The event featured an exhibition where more than 120 innovative startups showcased their solutions and modern technologies to a wide audience of investors and partners. The exhibition provided a unique opportunity to enhance co-operation and knowledge exchange among entrepreneurs and investors, paving the way for the rise of startups that serve Arab economies.

Over the course of three days, many entrepreneurs and guests participated in a series of site visits to Qatar Free Zones Authority, the Qatar Research, Development and Innovation Council, and Qatar Science and Technology Park.

The conference also featured 100 sessions and 35 workshops led by over 50 industry experts and speakers and attended by an audience of 1,400. Participants discussed agricultural technology, renewable energy, green transformation and the international expansion of companies among other related topics.

Discussions also touched on policies to empower startups and SMEs, giving the conference a strategic dimension in terms of the contribution of these companies to regional development plans. The conference hosted over 2,200 bilateral meetings and featured the signing of 20 Memoranda of Understanding.

The conference was backed by QDB's strategic partners and sponsors, including QNB Group, Qatar Investment Authority, the Arab Gulf Programme for Development and the International Islamic Trade Finance Corporation among other partners who contributed to the success of the conference.

The event reflects QDB's unwavering commitment to promoting innovation and sustainable growth, and its ongoing efforts to bolster Qatar's entrepreneurship ecosystem through innovative partnerships and initiatives that contribute to Qatar National Vision 2030.

## Al Faisal Holding highlights business community's key role in Qatar's economic transformation

Al Faisal Holding has demonstrated the pivotal role of the private sector in driving the nation's transformation in a compelling exploration of Qatar's dynamic economic landscape.

The company showcases its diverse portfolio, emphasising its significant contributions to various sectors, including hospitality, industry and real estate, while adhering to the principles of the Qatar National Vision 2030. This insightful examination is featured on Oxford Business Group's Global Platform, reflecting the organisation's commitment to promoting in-depth analysis of critical developments within emerging markets.

Qatar has successfully demonstrated exemplary management across various aspects, contributing to its strong global standing and fostering relationships built on mutual respect and shared interests. This has proven attractive to investors from both Qatar and abroad, positioning the country as a future commercial centre akin to Singapore and Hong Kong.

The private sector has played a significant role in Qatar's urban development, contributing 70%-80% to projects such as Al Dafna and The Pearl, while the government has focused on critical infrastructure.

This collaborative approach extends to the manufacturing sector in Mesaieed Industrial City, where governmental support fosters creativity and entrepreneurship.

Significant investments in infrastructure, including one of the leading global airports and a new port in Doha, enhance Qatar's accessibility and market appeal. The establishment of a free zone further supports manufacturing by providing a comprehensive one-stop shop for business needs.

As part of its economic diversification strategy, Qatar is enhancing its hospitality sector to establish itself as a world-class tourist destination. Al Faisal Holding has made substantial contributions through its fully-owned subsidiary, ARTIC, which boasts a portfolio of 35 hotels, including 12 in Qatar and others across the Mena region, Europe, and the US.

With a diverse investment strategy, Al Faisal Holding leverages insights across various sectors to identify emerging opportunities in new sectors. This includes a focus on health, IT, and food security, alongside ongoing commitments to real estate, trading, services, and construction.



The Qatar National Vision 2030 serves as a roadmap for investors, highlighting the importance of environmental, social, and governance (ESG) principles in decision-making.

As a cultural hub showcasing local and global heritage, Qatar is home to the Sheikh Faisal Bin Qassim Al Thani Museum, which houses over 17,000 artefacts and underscores the commitment to preserving heritage for future generations.

Al Faisal Holding's contributions extend beyond business, supporting culture, education, and sports through initiatives such as the Sheikh Faisal Sports Academy and the Al Samriya Riding School. This multifaceted approach reflects a dedication to the community and the promotion of well-rounded development.

Operating within a dynamic environment, Al Faisal Holding's diversified operations enable it to mitigate risks and adapt to economic fluctuations.

With a legacy of over 60 years, the company prioritises strong corporate governance to support family succession and business needs in an evolving landscape.

The listing of Aamal on the Qatar Stock Exchange in 2007 set a precedent for other companies, showcasing the potential of family-owned businesses in capital markets. This strategic move has encouraged broader participation in the stock exchange, further enhancing the financial landscape in Qatar.

HE Sheikh Faisal bin Qassim al-Thani, chairman of Al Faisal Holding, was the main interviewee, alongside key members of his management team and board members. "Qatar will one day become one of the most important commercial centres in the world, just like Singapore and Hong Kong," he said, highlighting the country's potential to rival these major trade hubs.

Sheikh Mohamed bin Faisal bin Qassim al-Thani, vice-chairman of Al Faisal Holding and another key interviewee to the video, added: "Qatar has transformed into a more sustainable economy, less reliant on the hydrocarbons sector. This transformation has been driven by a clear vision and a private sector committed to supporting it."

Tarek el-Sayed, managing director and CEO of Al Rayyan Tourism Investment Company (ARTIC), highlighted ARTIC's role as the international investment arm of Al Faisal Holding. He emphasised ARTIC as the bridge for regional and international expansion making Al Faisal Holding one of the first private Qatari companies to expand its operations internationally, with a growing footprint across Mena, Europe, and the US.

# Air cargo emerges crucial revenue stream for airlines

**By Alex Macheras**

In 2024, air cargo has emerged as a crucial revenue stream for airlines navigating volatile passenger demand and rising operational costs. While passenger flights often dominate headlines, it is the cargo holds beneath them — and the dedicated freighter fleets in the skies — that are quietly making billions for airlines worldwide.

The importance of air cargo to airline economics is not new, but its role has been amplified post-pandemic. Airlines that traditionally focused on passenger services are now leaning heavily into cargo to diversify revenue and fortify their financial resilience. For many carriers, cargo operations represent a lifeline, particularly as global economic uncertainty tempers leisure and business travel recovery in certain regions.

Air cargo is expected to generate over $150bn in revenue globally in 2024, according to IATA. This figure is bolstered by an enduring demand for the fast transportation of goods, including e-commerce, pharmaceuticals, perishables, and high-value goods like electronics. The rise of global supply chain complexities has further underscored the role of air freight as an indispensable pillar of international trade.

Air cargo often outpaces passenger flights in profitability due to its ability to generate higher yields per available tonne-kilometre and its operational flexibility. Unlike passenger services, which depend on fluctuating travel demand and face intense competition, air cargo can adapt swiftly to global supply chain needs, commanding premium rates for transporting high-value, time-sensitive goods.

Cargo operations also benefit from consistent demand across economic cycles, as businesses rely on air freight to maintain just-in-time inventory systems and meet consumer expectations for rapid delivery. Moreover, dedicated freighters and cargo belly-holds on passenger planes optimise load factors, ensuring that aircraft capacity is used efficiently. This financial resilience makes air cargo a reliable and lucrative revenue stream, often subsidising passenger services during periods of low travel demand or economic uncertainty.

What sets air cargo apart is its ability to quickly adapt to market needs. For example, during the pandemic, airlines swiftly converted passenger planes into freighters to meet the surging demand for personal protective equipment and vaccines. This agility has persisted, with airlines now deploying freighters to capitalise on lucrative routes and forming partnerships to expand their reach.

Collaboration between airline cargo divisions brings significant benefits by leveraging the strengths of each partner to create a more extensive and efficient global network. By sharing resources such as fleets, strategic hubs, and logistical expertise, airlines can optimise capacity utilisation, reduce operational costs, and expand their market reach.

These alliances enhance connectivity, enabling faster and more reliable transport of goods across continents while offering customers access to a broader range of destinations and services.

This week, Qatar Airways Cargo announced a new strategic partnership with MASkargo, the cargo arm of Malaysia Aviation Group. The collaboration, inaugurated by Qatar Airways Cargo Chief Officer Cargo, Mark Drusch, and MASkargo Chief Executive Mark Jason Thomas, is a significant milestone in Qatar's global cargo connectivity and operational efficiency. The partnership enables Qatar Airways Cargo to operate twice-weekly Boeing 777 freighter flights between Doha and Kuala Lumpur, adding over 200 tonnes of weekly capacity. From Kuala Lumpur, MASkargo's Airbus A330 freighters will connect to Sydney and Melbourne, contributing an additional 75 tonnes of weekly capacity to Australia. With swift connection times and state-of-the-art facilities at both Hamad International Airport (DOH) and Kuala Lumpur International Airport (KUL), the partnership promises unmatched efficiency and reliability.

Beyond capacity expansion, the agreement benefits both carriers by leveraging their respective network strengths. Qatar Airways Cargo gains enhanced access to markets in Australia, New Zealand, and across Asia, while MASkargo taps into Qatar Airways' expansive network covering Europe, the Middle East, and Africa. This symbiotic relationship enhances the export capabilities of Malaysian producers, enabling goods to reach a broader global audience. Mark Drusch, Chief Officer Cargo at Qatar Airways Cargo, remarked:

"As the world's leading global air cargo carrier, this partnership with MASkargo is a testament to our commitment to providing exceptional service and tailored solutions while expanding our global network through strategic alliances. By combining our strengths, we are able to offer our customers enhanced connectivity and efficiency, ensuring their products reach global markets in optimal condition."

MASkargo CEO Mark Jason Thomas echoed this sentiment:

"Today marks an exciting step forward for MASkargo as we join forces with Qatar Airways Cargo to create a truly interconnected global cargo network. This alliance strengthens our infrastructure and capacity, empowering us to support the regional economy and facilitate the movement of high-demand goods to a larger global market."

The partnership also reflects a broader strategic alignment between Qatar Airways and Malaysia Airlines, both of which are members of the oneworld alliance. Beyond cargo, the two airlines have cultivated a robust passenger codeshare agreement encompassing 62 destinations across Malaysia, Southeast Asia, Australia, the Middle East, Europe, and the Americas. This comprehensive approach demonstrates how alliances can deliver value across both passenger and cargo operations.

In July 2024, Qatar Airways Cargo and MASkargo signed a memorandum of understanding (MoU) to deepen collaboration and optimize operational synergies. This agreement has laid the foundation for innovative product offerings and streamlined logistics that are already benefiting global cargo customers.

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

# Sustainable aviation fuel plays pivotal role in airlines' decarbonisation initiatives

**By Pratap John**



Workers connect a tanker truck filled with sustainable aviation fuel to a plane at Charles de Gaulle airport in Roissy, France. The use of SAF is rapidly advancing, with global production projected to nearly double this year as airlines around the world sign agreements with producers to purchase future SAF production.

## Beyond the Tarmac

The use of Sustainable Aviation Fuel (SAF) is rapidly advancing, with global production projected to nearly double this year as airlines around the world sign agreements with producers to purchase future SAF production.

Over the past two years, the airline industry made significant strides in this regard, securing some 75 offtake agreements, including 53 binding and 22 non-binding commitments, according to the global trade body of airlines – IATA.

Hydrotreated esters and fatty acids (HEFA) and HEFA co-processing are the most mature and commercially viable technologies available, and they account for most SAF offtake agreements.

According to IATA estimates, the aviation industry consumed between 450,000 and 500,000 tonnes of SAF at $2,500 per tonne in 2023. This unit cost is 2.8 times higher than the price for conventional aviation fuel, and thus added $756mn to the industry fuel bill in 2023.

The aviation industry is set to increase its use of SAF to further reduce its carbon footprint. IATA estimates that SAF production could rise to 0.53% of airlines' total fuel consumption in 2024, adding $2.4bn to 2024's industry fuel bill. And this year, SAF production is expected to triple to 1.875bn litres (1.5Mt), accounting for 0.53% of aviation's fuel need, and 6% of renewable fuel capacity.

Despite this growth, analysts say, SAF will still represent less than 1% of aviation fuel demand in the short term. Europe leads in SAF production, driven by regulatory mandates such as the EU's "Fit for 55" initiative, which requires SAF to make up 6% of aviation fuel by 2030. Meanwhile, the US aims for ambitious SAF production targets of 3bn gallons by 2030 and 35bn gallons by 2050.

Undoubtedly, SAF technologies and feedstocks are diversifying. While hydro-processing of waste oils remains dominant, emerging methods like gasification of biomass, ethanol-to-jet, and power-to-liquid fuels are gaining traction. These alternatives address challenges related to feedstock sustainability and supply chain limitations.

However, scaling production seems to be constrained by high costs, technological barriers, and limited market transparency. To meet the industry's decarbonisation goals, policy support, investments in infrastructure, and innovation in feedstocks will be critical.

Long-term targets require SAF to constitute a significant share of aviation fuel by 2050, underscoring the importance of global collaboration and regulatory frameworks.

The small percentage of current SAF output as a proportion of overall renewable fuel is primarily due to the new capacity coming online in 2023 being allocated to other renewable fuels.

The 3rd Conference on Aviation Alternative Fuels (CAAF/3) hosted by the International Civil Aviation Organisation (ICAO) last year agreed on a global framework to promote SAF production in all geographies for fuels used in international aviation to be 5% less carbon intensive by 2030.

But to reach this level, about 17.5bn litres (14Mt) of SAF need to be produced.

According to industry experts, every drop of SAF produced has been bought and used. In fact, SAF added $756mn to a record high fuel bill in 2023.

Nearly 45 airlines have already committed to use some 16.25bn litres (13Mt) of SAF in 2030, with more agreements being announced regularly.

Projections are for over 78bn litres (63Mt) of renewable fuels to be produced in 2029. Governments must set a policy framework that incentivises renewable fuel producers to allocate 25-30% of their output to SAF to meet the CAAF/3 ambition, existing regional and national policies as well as airline commitments.

Experts affirm that effective production incentives for Sustainable Aviation Fuel should support the following objectives:

Accelerating investments in SAF by traditional oil companies, ensuring renewable fuel production incentives encourage sufficient SAF quantities, focusing stakeholders on regional diversification of feedstock and SAF production, identifying and prioritising high potential production projects for investment support and delivering a global SAF Accounting Framework.

Approximately 85% of SAF facilities coming on line over the next five years will use Hydrotreatment (HEFA) production technology, which relies on inedible animal fats (tallow), used cooking oil and industrial grease as feedstock, IATA says.

An earlier IATA survey had revealed significant public support for Sustainable Aviation Fuel. Some 86% of travellers agreed that governments should provide production incentives for airlines to be able to access SAF. In addition, 86% agreed that it should be a priority for oil companies to supply SAF to airlines.

■ *Pratap John is Business Editor at Gulf Times. X handle: @PratapJohn*

# BlackRock, Block join major sustainable aviation fuel deal

**Bloomberg**
Los Angeles

Sustainable aviation fuel is getting a huge boost from some of the world's biggest companies.

BlackRock Inc, Block Inc, Samsara Inc and Ripple are participating in the Sustainable Aviation Buyers Alliance and buying certificates as part of the group's $200mn in clean jet fuel deals. The purchase will add sustainable aviation fuel (SAF) to Alaska Air Group Inc passenger flights while offsetting the companies' business travel emissions.

Aviation accounts for about 2% of global emissions, but it's one of the hardest sectors to decarbonize. Airlines and startups are making efforts to increase fuel efficiency and scale electric and hydrogen-powered aircraft, but those are far from commercialisation and, in the latter case, likely not feasible for long-haul flights.

The best bet to cut emissions is SAF, which can be blended with traditional jet fuel without requiring any aircraft retrofits. Clean jet fuel costs two to four times as much as fossil-based jet fuel, according to BloombergNEF. Still, demand far exceeds available supply and airlines are falling behind on their purchasing commitments. To cut costs and spur more production, companies with hard-to-reach net zero goals are purchasing SAF certificates. Buyers are allowed to count the carbon cuts tied to the certificate against their indirect or Scope 3 emissions while airlines get to put it on their Scope 1 ledger — that is, emissions they're directly responsible for.

It's difficult for companies to reduce flying-related emissions, because "they're not going to tell employees to stop travelling to customers or clients," said Claire Kiely, head of marketplace carbon supply for sustainability platform Watershed, which facilitated the purchase. Instead, by participating in procurement programs like the Sustainable Aviation Buyers Alliance (SABA), companies can influence airlines and fuel producers to make the change.

The $200mn in SABA deals will buy about 50mn gallons of SAF. That will abate about half a million tons of carbon dioxide over the next five years, an amount equivalent to about 3,000 flights from New York to London.

Montana Renewables is producing the fuel going to Alaska Airlines. The company makes SAF from fat, oil and grease, a technique responsible for "practically all SAF produced," according to BNEF. The global supply of waste oil, however, is limited and won't be sufficient to meet demand. Startups are exploring other ways to make clean jet fuel, including making it using captured CO2 and electricity. That approach remains even more costly and produces a relative sliver of SAF today, though BNEF expects it and other approaches to gain traction later this decade.

Demand and offtake agreements like this one are important because they help SAF producers secure the financing necessary for growth, according to Kiely, who added these types of agreements helped jumpstart the clean power industry.

It can take a decade or more to get a SAF facility running, which is why it's important to get a headstart now, said Diana Birkett Rakow, Alaska Air's senior vice president of public affairs and sustainability. As the fifth-largest US airline, "we're never going to have the biggest volume or the biggest offtake, so joining with others and having that collective impact, in addition to the individual efforts that we do, has always been a focus," she said.

# Spirit Air files bankruptcy, bondholders set to take control

**Bloomberg**
New York



A Spirit Airlines plane at Terminal A of LaGuardia Airport in New York. The airline sought Chapter 11 protection in New York to restructure $1.6bn of debt, according to court filings.

Spirit Airlines Inc filed for bankruptcy on Monday with a plan to hand over control to bondholders after failing to agree on a merger with rivals.

The airline sought Chapter 11 protection in New York to restructure $1.6bn of debt, according to court filings. It said it will continue to operate normally throughout the bankruptcy process, which should complete in the first quarter of 2025.

Spirit had been seeking to tie up with rivals amid competition from traditional carriers and higher inflation. It was forced to start restructuring talks with creditors after a federal judge blocked a $3.8bn acquisition by JetBlue Airways Corp, ruling the combination would harm cost-conscious travellers by driving up the price of airline tickets across the industry. Separate talks for a merger with Frontier Group Holdings Inc also fell apart in recent weeks, paving the way for the bankruptcy filing.

The discount carrier has reached a broad overhaul agreement with creditors holding about 80% of the debt to be restructured and has enough support to receive court approval, according to court documents.

Under the plan, which can be revised during the Chapter 11 process, existing bondholders will swap $795mn of their notes for equity, while shares will be de-listed.

Holders of senior secured and convertible notes will receive $840mn of new secured notes. Bondholders also committed to inject $350mn of fresh equity and provide $300mn of debtor-in-possession financing to support Spirit throughout the Chapter 11 process.

The carrier said it has about $3.6bn in long term debt, including $136mn in unsecured term loans it owes the federal government as part of Covid-19 pandemic-era related support. Spirit, which employs 12,800 people, has struggled following the Covid-19 pandemic as the largest US carriers stepped up use of basic economy fares to lure travellers away, while part of its fleet was grounded by an engine manufacturing defect. Most recently, fares were held down during the crucial summer travel period because airlines put too many seats into the domestic market.

The developments kept Spirit from the constant growth that's needed to keep the discount model successful, offering rock-bottom fares but making money by charging for items such as coffee, bottled water, carry-on bags and printed boarding passes.

The company has posted annual losses since 2020 and its stock has plummeted 93% this year through November 15.

"The airline industry (particularly in the United States) is contending with shifting consumer demand and operational headwinds, such that it is unrecognisable from what it was pre-pandemic," Fred Cromer, chief financial officer of Spirit, said in a court document. "Low-fare carriers — whose business models rely on much slimmer margins — are disproportionately affected."

The discount carrier in recent months announced it would begin offering items like extra leg room and free checked bags in response to growing consumer demand for more upscale travel options. It also hired a "world recognised" advertising agency and a brand adviser to help shed its reputation as one of America's most disliked airlines.

Spirit's Chief Executive Ted Christie told customers in an e-mailed letter on Monday that they could continue to book and make flights on the carrier "now and in the future," using all tickets, credits and loyalty points as normal.