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BUSINESS

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Xi says China's 2024 GDP growth set to hit target of around 5%

HIA and Qatar Airways soar high in 2024

By Pratap John
Business Editor

National carrier Qatar Airways and the country's global gateway Hamad International Airport (HIA) made significant strides in 2024, expanding in terms of route and network, handling record passengers, embracing cutting-edge technology and winning many prestigious awards.

Many international airlines from China, India, Tajikistan, Afghanistan, Indonesia and Japan launched services to HIA in 2024. HIA is Qatar Airways' home and hub in Doha.

In June, Qatar Airways was awarded the 'Airline of the Year' title by Skytrax, returning to the top for an unprecedented eighth time.

The 5-star carrier was also recognised with three additional awards: 'World's Best Business Class', 'World's Best Business Class Airline Lounge', and 'Best Airline in the Middle East'.

In April, HIA again secured its position as the 'World's Best Airport' by the prestigious 2024 Skytrax World Airport Awards held at the Passenger Terminal Expo 2024 in Frankfurt.

The airport also clinched the title of 'World's Best Airport Shopping' for the second time in a row and 'Best Airport in the Middle East' for the tenth consecutive year.

HIA's recognition was based on "meticulous assessments" conducted by air travellers. They evaluated the airport's performance across key performance indicators and selected it as the best in the world amongst a group of over 500 global airport contenders.

National carrier Qatar Airways and the country's global gateway Hamad International Airport made significant strides in 2024, expanding in terms of route and network, handling record passengers, embracing cutting-edge technology and winning many prestigious awards

Qatar Airways Group Chief Executive Officer, Badr Mohamed al-Meer, who spearheaded the development and growth of HIA over the past decade, said: "This is a remarkable achievement for Hamad International Airport, as it celebrates its 10th anniversary of operational excellence, connecting passengers seamlessly from all around the world.

In October last year, HIA reported serving 13.7mn passengers in the third quarter (Q3), reflecting a robust 7.9% growth compared to the same period last year.

Point-to-point traffic also experienced growth by 11.7%, contributing to the airport's overall performance.

The passenger traffic growth was driven by strong demand for air travel, with July marking the airport's busiest month ever, handling 4,742,068 passengers followed by 4,717,885 passengers in August and 4,246,742 in September.

In the same month in 2024, Qatar Aviation Services (QAS), the ground handling provider for HIA, received the 'Enhanced Ground Support Equipment' (GSE) recognition certification from the International Air Transport Association (IATA).

QAS was the "first ground handling service in the GCC region" to achieve this esteemed recognition, further establishing its leadership in ground operations.

YEAR-END REVIEW

Building on the "dynamic growth" observed in the first half (H1) of 2024, HIA announced that July became the busiest month in its operational history, serving a "remarkable" 4.73mn passengers.

This milestone represented a significant 10.2% increase compared to July of the previous year, solidifying the airport's status as a leading global aviation hub.

In July last year, HIA partnered with Siemens to optimise its district cooling infrastructure, aimed to conserve and reduce energy consumption and support the airport's growth plans.

Completed in November 2023, the project is in line with HIA's environmental sustainability goals which includes reducing carbon efficiency by 30% by 2030.

HIA's district cooling infrastructure includes five district cooling plants, with a production capacity of 62,000 tonnes, to cater to the cooling requirement for the airport. With Phase B of the airport's expansion underway and to reduce the consumption of electricity required for cooling, the airport partnered with Siemens to leverage its patented 'Demand Flow' technology from the Siemens Xcelerator portfolio, which enables digital transformation in industry and infrastructure faster and at scale.

The world's first Gulfstream G700, a premium business jet, owned by Qatar Executive (QE), the corporate jet subsidiary of Qatar Airways Group, was "exclusively revealed" at HIA in May 2024.

By welcoming the delivery of two new Gulfstream G700 aircraft to the fleet, Qatar Executive became the worldwide exclusive commercial operator of the aircraft.

Qatar Executive is the first carrier to offer the Gulfstream G700 to charter customers, continuing to provide an ultra-modern fleet with the ultimate in aircraft capabilities, luxury and performance.

In March last year, HIA introduced "dedicated screening lanes" for families with younger children transferring through the airport.

The dedicated family lanes will reduce wait times at security checkpoints and provide staff assistance to aide families with their personal belongings.

"This initiative reflects the airport's commitment to minimising stress and wait times, underscoring its dedication to providing a seamless and efficient travel experience for all passengers," HIA said.

Since its inauguration in 2014, HIA has emerged as a leading global aviation hub, continuously expanding and enhancing its network. Many recent partnerships reflect Qatar's commitment to strengthening its tourism offerings, aligning with Qatar National Vision 2030.

Hamad International Airport's innovative air service development strategy has been pivotal in attracting numerous airlines and establishing seamless routes, reinforcing the airport's position as a critical gateway for global connectivity.

Ethiopia is a strategic hub for Qatar investments, says envoy

By Peter Alagos
Business Reporter

On the back of robust Ethiopia-Qatar ties and its strategic location as a gateway to the African continent, the country is looking to attract FDI, particularly investments from Qatar in various sectors, Ethiopian ambassador Faisal Ali Ibrahim has said.

"Ethiopia stands as a beacon of growth and resilience on the African continent. With a population exceeding 126mn, we are not only the second-most populous nation in Africa but also one of the fastest-growing economies in Africa. Our GDP has shown consistent growth, averaging 10% annually for the past decades, and our ambitious goal to achieve middle-income status by 2025 is well within reach.

"This is a testament to the dedication and hard work of our people and the vision of our leadership," the ambassador emphasised in his speech during the '3rd Ethiopian Investment Forum', held recently in Doha, in collaboration with Doha-based consultancy firm KON Group.

According to Ibrahim, Ethiopia is positioning itself as a welcoming and reliable destination for foreign investments in prioritised sectors like agriculture, manufacturing, tourism, ICT, mining and energy, health, and banking and insurance.

"Ethiopia's commitment to creating an enabling environment for investors extends beyond these sectors. We offer an array of incentives to investors, including tax holidays, customs duty exemptions, and affordable land leases.

"Our infrastructure investments, such as the Great Ethiopian Renaissance Dam and the Addis-Djibouti railway, ensure reliable energy and efficient logistics, making Ethiopia

Ethiopian ambassador Faisal Ali Ibrahim said the forum is aimed at fostering investment, trade, and tourism ties between Ethiopia and Qatar.

an ideal investment destination. Additionally, our strategic location in Africa positions us as a gateway to the continent's vast markets and beyond," he said.

He said around 30,600 Ethiopians are living in Qatar, contributing to its workforce and seeking opportunities to build better lives. Bilateral relations have been further solidified through the signing of numerous agreements and memoranda of understanding in various fields, including economic co-operation, labour exchange, investment, and the elimination of overlapping taxes.

"Despite the significant potential, Qatari engagement in business and investment in Ethiopia remains limited – a gap we aim to bridge through forums like this," the ambassador explained.

He said high-level visits between both nations have further strengthened Ethiopia-Qatar ties. Additionally, mechanisms like the Joint Bilateral Committee on Co-operation, established in 2012, and Political Consultation meetings, first held in Doha in 2021, have proven instrumental in advancing a shared agenda, he noted. Ibrahim said: "Ethiopia looks forward to reinvigorating the Joint Ministerial Commission and holding the next round of Political Consultation to boost comprehensive cooperation.

To date, Ethiopia and Qatar have signed 20 agreements focusing on economic, commercial, and investment co-operation.

"Another eight draft agreements are currently under exchange, signalling our mutual commitment to expanding our collaborative efforts. These agreements are the foundation for unlocking the immense potential of our partnership, and we encourage Qatari businesses to seize these opportunities and join Ethiopia's growth journey."

He added: "The growing trade relationship between Ethiopia and Qatar exemplifies our shared vision for mutual prosperity. Ethiopia's exports to Qatar, including coffee, livestock, and flowers, have increased significantly, reflecting the potential for further trade expansion. These exports are more than commodities; they are symbols of the high-quality goods Ethiopia brings to the global market."

Qatar's GDP grows by 2% in Q3 of 2024: NPC

QNA
Doha

The Qatari economy recorded growth at constant (real) prices of 2% during the third quarter of 2024 compared to the same period last year.

Data issued yesterday by the National Planning Council (NPC), through the National Statistics Centre, showed that Qatar's estimated gross domestic product (GDP) for the third quarter of 2024 reached about QR180.23bn at constant prices, compared to QR176.7bn during the same period in 2023.

In a statement, the National Planning Council explained that these estimates reflect accelerated growth and increasing diversification in Qatar economy, which continues to expand beyond traditional reliance on hydrocarbon sector. The council emphasised that this progress aligns with Qatar's commitment to achieving sustainable economic growth as one of the goals of the Third National Development Strategy (NDS3).

Commenting on these results, Secretary-General of the National Planning Council, Dr Abdulaziz bin Nasser bin Mubarak al-Khalifa, stated that these estimates are evidence of Qatar's strong economic progress in particular, Qatar's non-hydrocarbon economy, which represents a significant milestone in the journey towards economic diversification. This can be seen across critical economic activities such as finance and insurance, construction, and transportation.

He added that Qatar is adopting a model of sustainable growth to transform into a competitive, productive and diversified economy, driving the economic development agenda forward with a clear focus and renewed energy, in line with the priorities laid out in NDS3.

The National Statistics Center also reported that the estimated GDP at current prices reached approximately QR204.08bn in the third quarter of 2024, registering a growth of 1.8% compared to the same period last year.

The council described these positive results as inherently encouraging, noting that Qatar's strong economic performance is evident in the annual growth of non-mining activities, which achieved a 4.5% real increase and a 3.1% nominal increase.

The council pointed out that this strong growth emphasises Qatar's progress in building a diversified economy. Growth in the non-hydrocarbon economy accelerates Qatar's progress towards becoming a hub for tourism, manufacturing, financial services, and many other sectors.

On a quarterly basis, the Qatari economy grew 4.1% in nominal terms equivalent to approximately QR8bn compared to the second quarter of 2024, and by 1.9% in real terms.

The construction sector recorded a growth of 7.7% at constant prices during the third quarter of 2024 compared to the same period in 2023 and 2.3% compared to previous quarter. It also achieved a growth rate of 6.2% at current prices on an annual basis and 10.3% on a quarterly basis. The construction sector contributed more than 11% to Qatar's GDP in the third quarter of the year.

Financial and insurance services saw strong growth, at 10.6% year on-year in real terms, and 8.4% in nominal terms. This is a sector of growing importance to Qatar representing 8.6% of GDP in real terms and 10.7% in nominal terms, and contributing QR21.8bn to the economy in Q3-2024.

Wholesale and retail trade saw year-on-year growth of 3.5% in real terms and 4.2% in nominal terms, and now reflects 7.1% of the Qatari economy (7.6% in real terms). Its activity contributed QR13.66bn in Q3 alone.

Real estate activities saw a 3.4% year-on-year growth in real terms, and 3.0% in nominal terms, contributing QR12.4bn in Q3 (nominal) and representing 6.1% of Qatari GDP.

Transport and storage activities saw a 5.4% growth in Q3, in real terms vs. the same period last year. In nominal terms, it grew by 3.0% versus Q3-2023. On a quarterly basis, growth was 3.4% in real terms and 10.0% in nominal terms. Together, these figures demonstrate progress for Qatar as it continues to grow as a hub for both the logistics and tourism activities.

But in real terms, manufacturing contracted by 2.7 % in Q3 versus the same period last year, although it did grow 5.2% quarter-on-quarter. In nominal terms the picture is similar, with 5.8% contraction year-on-year balanced out by 5.9% growth quarter-on-quarter.

BUSINESS

The present and future of energy in Qatar

By Jassim Mohammed al-Emadi

The prominent German writer Johann Wolfgang von Goethe once said: "Energy will do anything that can be done in the world; and no talents, no circumstances, no opportunities will make a two-legged animal a man without it."
Nearly every aspect of modern life in Qatar depends on energy, from powering technological devices and vehicles to supporting industrial activities. Energy has become a fundamental necessity and a driving force shaping our way of life and development. Qatar is a leader in natural gas production and has committed to energy diversification as its National Vision 2030 emphasises sustainability and environmental conservation.
Both renewable and non-renewable energy sources present distinct advantages and disadvantages. Renewable energy offers longer-term sustainability and a lower environmental impact, while non-renewable energy remains more secure, economically viable, and requires no dramatic change in infrastructure. The future of energy requires balancing these trade-offs to ensure energy security, sustainability, environmental protections, and economic viability, highlighting the importance of transitioning toward cleaner energy sources without overlooking current infrastructure and monetary limitations.
One of the most significant advantages of renewable energy is its minimal greenhouse gas emissions. Scientists have estimated that greenhouse gases have increased global temperatures by 1.1C over the last 150 years. These emissions have negatively impacted our environment, including ocean acidification and ecosystem disruption. Qatar recognises the importance of addressing these challenges and is investing in projects, including the Al Kharsaah solar plant, which provides a maximum of 800MW of sustainable energy.
In comparison, the National Renewable Energy Laboratory (NREL) reports that the median life cycle of greenhouse gas emissions for coal-fired electricity generation are approximately 1,000 grams of CO2 equivalent per kilowatt-hour. This figure is over 20 times higher than emissions from renewable sources such as wind and solar. Through initiatives such as Siraj Energy, Qatar demonstrates its commitment to energy diversification and reducing the consequences of climate change, such as extreme weather events and biodiversity loss, as part of its goal to build a more sustainable future.
However, renewable sources have their limitations. As Mahidin Erdiwansyah and colleagues describe, wind and solar energy depend on weather conditions. An unstable energy source can cause product delays and shortages and even halt the development. Furthermore, renewable energy is currently limited by storage technologies that affect its cost and capacity. Battery production can also offset its environmental benefits and could lead to resource depletion. As a result, switching to renewable energy poses short-term economic and logistical challenges. These are challenges that Qatar aims to overcome through innovation and long-term investment. For example, Qatar Science and Technology Park is working towards research and development that aims to enhance storage efficiency and reduce costs, ensuring the reliability and viability of such resources.
On the other hand, non-renewable energy sources such as coal, oil, and natural gas offer several advantages. Most notably, their high energy density allows them to generate large amounts of energy efficiently. Qatar's large natural gas reserves have positioned the country as a global leader in energy production, explicitly LNG production. This has been done through the use of advanced technology and careful decision-making. Additionally, QatarEnergy's commitment to sustainability includes implementing Carbon Capture and Storage (CCS) systems designed to limit carbon dioxide emissions and be used for oil recovery. In parallel, initiatives such as introducing Qatar Rail, a sustainable metro system that has recorded 200mn passengers in the last 5 years, will allow for reduced emissions from gas-powered vehicles. Therefore, by leveraging its expertise in LNG and a long-term investment in energy efficiency, Qatar ensures the security and sustainability of its energy.
Non-renewable energy sources pose significant environmental challenges, with greenhouse gas pollution being a primary concern. Oil spills, coal mining, and drilling contribute to environmental damage through deforestation, open-pit mining, and offshore drilling. Qatar has addressed such challenges through practices like QatarEnergy's eco-friendly drilling technology, which reduces the environmental footprint when extracting non-renewable resources. According to a study by PNAS, 90% of biodiversity loss is linked to resource extraction associated with non-renewable energy, highlighting the profound ecological impact of reliance on these energy forms. Qatar's partnership with the Global Green Growth Institute focuses on implementing projects and ensuring sustainable development. This has allowed Qatar to strategically balance itself as a leading natural gas exporter and a nation that values sustainable development.
Balancing the trade-offs between renewable and non-renewable energy sources is essential, as neither provides a perfect solution for all situations. The choice of energy source should be tailored to specific industry needs, weighing cost-effectiveness against the need for reliable energy. For example, the development of the sustainable Lusail City demonstrates how Qatar integrates renewable energy solutions, such as solar panels and energy and economically practical technologies, into urban development projects. In contrast, industries like agriculture may prioritise non-renewable energy, as it occupies less land and keeps production costs lower than more expensive renewable alternatives.
Balancing environmental sustainability with economic growth and energy security requires a pragmatic approach, integrating renewable and non-renewable energy sources. Qatar exemplifies this balance through its National Vision 2030, which prioritises sustainable development while leveraging its strengths as a global leader in natural gas production. Rather than advocating for replacing one energy source with another, a collaborative approach emphasising open communication and accurate information sharing is essential. By fostering a more informed understanding of energy issues and working together, we can find a compromise that leverages the strengths of both sources to meet our growing energy demands sustainably.

■ *Jassim Mohammed al-Emadi is a Qatari national with a passion for leveraging experience gained from diverse internships at esteemed global institutions to contribute to forward-looking endeavours.*

Aamal Company announces increase in shares in Frijns Structural Steel Middle East

Aamal Company announced that its board of directors approved an increase of its shares of 'Frijns Structural Steel Middle East' through the acquisition of an additional 20% shareholding from a related party.
This step aligns with Aamal's ongoing efforts to implement its growth strategy and strengthen its position in the industrial manufacturing sector.
Frijns Structural Steel Middle East is one of Qatar's leading companies in the industrial manufacturing sector, and has been operating in the local market since 2009.
The company specialises in the production of steel for petrochemical and other industrial applications, providing a comprehensive range of services including engineering, production, corrosion protection, construction, and assembly.
Currently, Aamal Company owns 20% of the shares in Frijns Structural Steel Middle East.
Following this additional acquisition, Aamal's total ownership will increase to 40%. This acquisition was based on an independent valuation to ensure adherence to the highest standards of transparency for all parties involved.
Commenting on this occasion, Rashid al-Mansoori, CEO, Aamal Company, said:
"At Aamal, we firmly believe in strategic expansion and enhancing our industrial investments in alignment with Qatar National Vision 2030. Increasing our shares in Frijns Structural Steel M.E. represents a significant step toward underpinning our position in the industrial manufacturing sector and strengthening our ability to support major projects that contribute to sustainable development.
"We remain committed to advancing our business operations to deliver added value to our shareholders and partners in Qatar and beyond."
Aamal confirms that this step reflects its dedication to the ongoing development of its industrial activities, reinforcing its position as a market leading diversified company.

Currently, Aamal Company owns 20% of the shares in Frijns Structural Steel Middle East. Following the additional acquisition, Aamal's total ownership will increase to 40%

An oil tanker sits anchored off the Fos-Lavera oil hub near Marseille, France. The global benchmark Brent crude has averaged around $80 a barrel so far this year and was poised for a 3% yearly decline on weakening demand stemming from top importer China. US crude is projected to average $70.86 per barrel in 2025, compared with last month's expectation of $70.69.

Ample supply, slow demand seen to temper oil price gains in 2025

Reuters
Bengaluru

Oil prices are likely to be constrained near $70 a barrel in 2025 as weak demand from China and rising global supplies are expected to cast a shadow on Opec+-led efforts to shore up the market, a Reuters monthly poll showed yesterday.
The survey of 31 economists and analysts predicted that Brent crude would average $74.33 per barrel in 2025, down from a forecast of $74.53 in November, marking an eighth straight downward revision.
The global benchmark Brent crude has averaged around $80 a barrel so far this year and was poised for a 3% yearly decline on weakening demand stemming from top importer China.
US crude is projected to average $70.86 per barrel in 2025, compared with last month's expectation of $70.69.
"Rising production from non-Opec countries is expected to keep the market well-supplied. While an economic recovery in China is anticipated, the shift to electric vehicles is likely to limit demand growth," Sehul Bhatt, director of research at CRISIL, said.
Most of the poll respondents expect the oil market to be in a surplus next year, with analysts from JPMorgan predicting that supply will outpace demand to the tune of 1.2mn barrels per day (bpd).
Opec+, which pumps about half the world's oil, at its December meeting pushed back the start of oil output rises by three months until April 2025 and extended the full unwinding of cuts by a year until the end of 2026.
"The decision was driven by the expectation that non-Opec+ supply growth will outpace demand growth in 2025. This leaves limited room for Opec+ to raise production...we anticipate a further delay in unwinding of cuts until Q4-2025," said Florian Grunberger, senior analyst at data and analytics firm Kpler.
Global oil demand was seen growing between 0.4mn and 1.3mn bpd in 2025, the poll showed. That compares with Opec+s 2025 growth estimate of 1.45mn bpd.
Markets are also bracing for substantial policy shifts, encompassing tariffs, deregulation, and tax amendments as Donald Trump is set to return to the White House in January 2025.

Bloomberg QuickTake Q&A

Why companies like OpenAI and SpaceX are staying private longer

By Bailey Lipschultz

Private companies — especially those in tech — are raising billions of dollars to delay, and sometimes even shun, a path to public markets. These efforts are creating vast wealth for employees and early-stage stakeholders, while shutting out most people who can't invest in them through things such as 401(k) retirement accounts provided by some US companies. The numbers show a dramatic shift from just a few decades ago, and the trend has become even more stark as initial public offerings (IPOs) have receded since a pandemic-era frenzy. As a result, a relatively small group of people have access to the upside while the vast majority of potential investors can only watch from the sidelines.

Has the number of public companies declined?

Yes. Over the past two decades, the number of publicly listed companies around the globe has been shrinking. In the US alone, the number of publicly traded companies has dropped by nearly half, from roughly 7,500 in 1997 to fewer than 4,000 today, according to the Center for Research in Security Prices.

Why are companies staying private?

Professional investors, especially institutions, have been increasingly turning to private companies; while they carry more risk, they're drawing an ever-larger share of the capital available. This shift in attention — and investment — to the private markets has resulted in companies such as OpenAI and SpaceX having an almost insatiable amount of demand from would-be buyers. The checks being cut just keep getting bigger and bigger.
Elon Musk's SpaceX recently hit a valuation of $350bn, a number that would place it among the 25 largest companies in the S&P 500. Sam Altman's OpenAI raised $6.6bn in new funding, bringing its valuation to $157bn. Fintech giant Stripe Inc bought back shares at a roughly $70bn valuation. And software company Databricks Inc just raised $10bn in new funding, taking its valuation to $62bn.
As long as early-stage investors and employees are happy, the companies benefit from a more lax regulatory environment and don't have to deal with activist investors pushing for change, or disclosing trade secrets and other matters that the firms would rather keep private.

How much money is tied up in these companies?

It's something to the tune of about $3tn for private equity-owned companies alone, as of October, according to a report from Bain & Co Private equity firms, which raise funds to take or keep companies private, are dealing with a logjam of companies that they need to either take public or sell.
That number is likely similar for the traditional venture capital community, depending on the data. There are currently more than 1,400 venture-backed unicorns — companies valued at more than $1bn — worth roughly $5tn in total, data from PitchBook show.
The data show there are more than 57,000 private US companies with roughly a third of those fitting the mould of late-stage and venture growth startups — a group that's typically prime for public listings.
"It's interesting to see companies like Databricks and Stripe continue to raise from unlimited capital to stay private, though they are using that money to reduce the pressure staying private causes," said PitchBook analyst Kyle Stanford. "Most companies can't pull that lever, and private capital is limited for the vast majority of companies."

How are private companies valued?

The same as public companies — they're valued based on what investors are willing to pay for a stake in them. The difference is that whereas the going price for a public company is updated and displayed in real time on stock exchanges during trading hours, the price paid to buy shares in a private company is in many cases a closely guarded secret, with the valuation occasionally disclosed in a press release after a rare funding round.

What types of oversight exist for private companies?

One important thing about being private: the company technically doesn't have to share any details of their business with the public. Yet many of the largest companies still do share details about how the business is operating, even without it being obligatory.

Can you invest in a private company?

It's difficult for retail investors to buy shares of a private company, unless they're accredited investors — people who make a certain amount of money or have certain licenses. Those rules exist in order to protect retail investors. If a person becomes an accredited investor, they can use platforms such as those offered by Forge Global Holdings Inc and Rainmaker Securities to buy into private companies. However, those markets are opaque, have their own requirements and can be expensive.
For those who are not accredited investors, and not willing to pay money managers to buy shares in private companies, the most viable way to get a stake would be through Destiny Tech100 Inc (ticker DXYZ). It's a closed-end fund that counts stakes in private-market unicorns such as SpaceX and OpenAI among its holdings. But buyer beware: Even though the fund most recently reported a net asset value of $5.32 per share, its shares trade above $60 apiece. That means people buying shares at current prices are paying a dramatic premium to what the fund itself says its assets are worth.

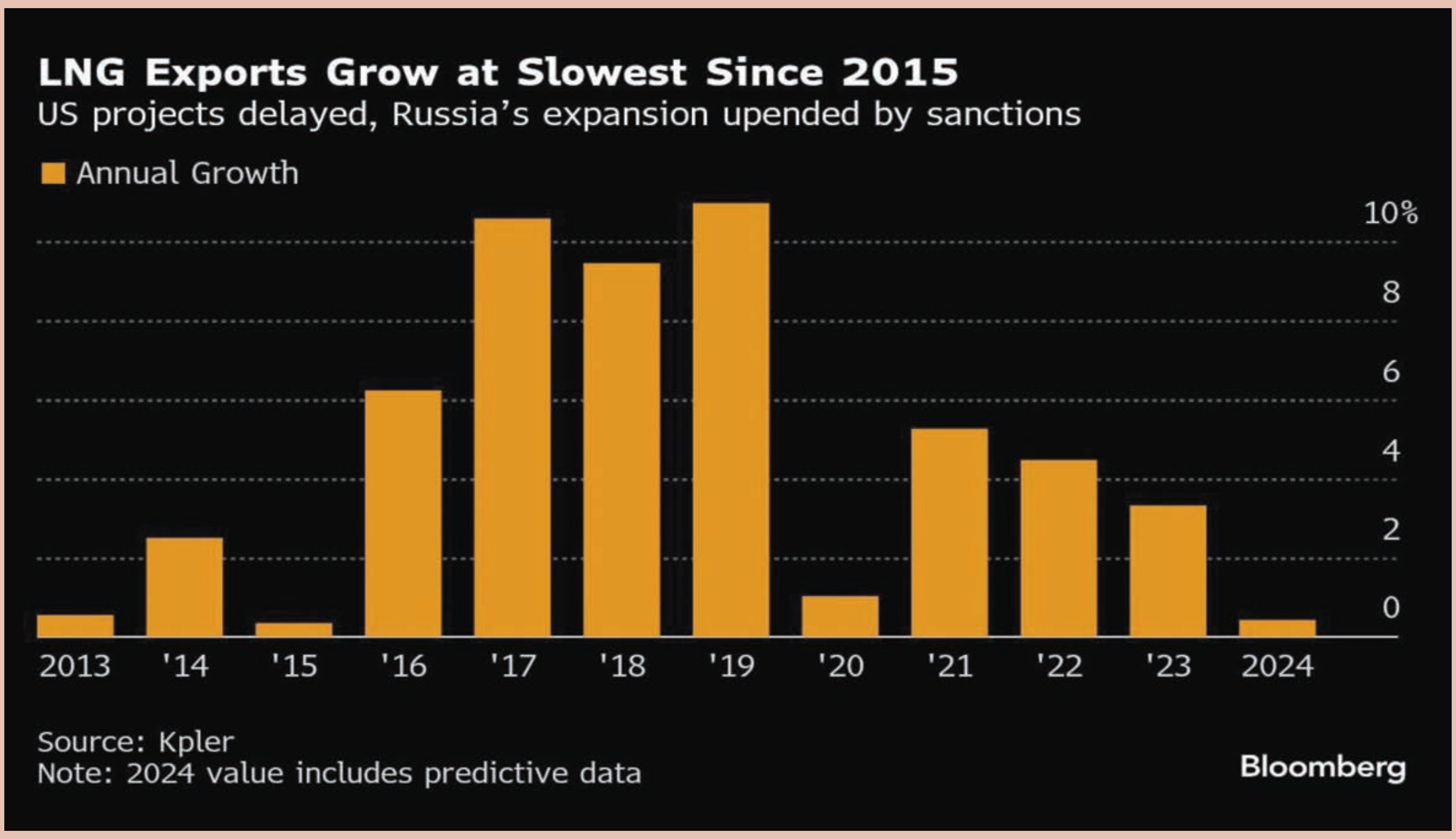
What do companies gain by going public?

The chance to raise cash from a huge pool of investors, including the 401(k)-style masses. Not every company can obtain the money they need in the private markets, so an IPO is often the goal. Companies typically sell shares to public investors to raise funds for operations or to handle some of their debt. It also creates a public currency for any future takeovers.
Going public also opens the door for employees and long-term investors to more easily and frequently gauge the valuation of their stake in the company. And for many firms, being publicly listed lends credibility — to potential employees, customers and suppliers. It also serves as a branding event and often helps to validate the company because its operations, expectations and finances are disclosed on a regular basis to the public.

LNG exports grow at slowest pace since 2015, data show

Bloomberg
Singapore

Global liquefied natural gas (LNG) exports grew at the slowest pace since 2015, threatening to keep prices elevated until new supply comes online to meet rising demand.
Annual LNG shipments were set to rise 0.4% to roughly 414mn tonnes last year, according to data compiled by Kpler. Delays to US projects and sanctions against Russia's newest facility curbed new supply into the market.
The LNG market has been finely balanced since the 2022 invasion of Ukraine cut Russian pipeline gas to Europe, forcing the continent to depend more on the super-chilled fuel. The lack of new exports has made the market susceptible to price spikes for buyers in Europe and Asia.
The market could find some relief in 2025 as new US projects ramp up production and another facility starts in Canada. Venture Global LNG Inc's Plaquemines plant exported its first shipment last week, and Cheniere Energy Inc's Corpus Christi plant began production from the first phase of its expansion on Monday.
The US was the world's largest exporter, shipping a record 87mn tonnes in 2024, roughly on par with the previous year, Kpler data showed.
China was the biggest LNG buyer for the second year in a row. The country received over 78mn tonnes, up 8.5% year-over-year, according to the data. That's still slightly lower than 2021, when China imported about 80mn tonnes.



Dollar stands tall in 2024, propped up by cautious Fed, Trump trade

Reuters
Singapore

The dollar slipped on the last trading day of the year yesterday but was poised to clock strong gains in 2024 against almost all currencies as investors prepared for fewer US rate cuts and the incoming Trump administration.

The dollar's ascent, buoyed by rising Treasury yields, pushed the yen toward its lowest levels since July on Monday at around 158 per dollar.

The US currency fell against the yen on Tuesday, however, and was last down 0.14% at 156.65 yen. Nonetheless, the yen was on course for a 10% drop in 2024, its fourth straight year of decline against the dollar.

Japanese markets are closed for the rest of the week, and with most markets closed on Wednesday for the New Year's Day holiday, volumes are likely to be razor thin.

The dollar index, which measures the US currency versus six other major units, was down 0.12% at 107.92, just off a two-year high. The index has risen 6.6% in 2024 as traders have cut back on bets of deep rate cuts last year.

Federal Reserve policymakers shocked markets earlier last month by cutting their interest-rate forecast for 2025 to 50 basis points of cuts, from 100 bps, wary of stubbornly high inflation. President-elect Donald Trump has also moved the dollar.

"Yields in the US have adjusted higher to price in the potential inflationary impact from the incoming Trump administration's policy agenda including tariff hikes, tighter immigration policy and maintaining loose fiscal policy," said Lee Hardman, senior currency analyst at MUFG.

Federal Reserve policymakers shocked markets earlier last month by cutting their interest-rate forecast for 2025 to 50 basis points of cuts, from 100 bps, wary of stubbornly high inflation. President-elect Donald Trump has also moved the dollar

The possibility of US rates staying higher for longer has put a dent in most other currencies, especially those in emerging markets as traders worry about the stark interest rate difference between the US and other economies.

The euro was set for a 5.6% decline against the dollar last year, with traders expecting the European Central Bank to be sharper with its cuts than the Fed.

On Tuesday, the single currency was 0.14% higher at $1.0421, but remained close to the two-year low of $1.03315 touched in November.

In another turbulent year, the yen breached multi-decade lows in late April and again in early July, sliding to 161.96 per dollar and prompting bouts of intervention from Tokyo.

It then touched a 14-month high of 139.58 in September before giving up those gains and is now back near 157, with traders watching out for signs of intervention from Tokyo.

The Bank of Japan (BoJ) held interest rates steady at last month's meeting, and governor Kazuo Ueda said the central bank was scrutinising more data on wages and awaiting clarity on Trump's policies.

"The BoJ have expressed more caution over continuing to raise rates," MUFG's Hardman said.

A Reuters poll taken earlier last month showed the BoJ could raise rates by end-March and interest rates markets are pricing in only a 40% chance of a rate rise in January.

Sterling was little changed at $1.2555 in early trading, on course for a 1% fall in 2024, the strongest performance of any major currency against the dollar this year.

The risk-sensitive Australian and New Zealand dollars were tentative on the day, sticking close to their two-year lows. The Aussie last fetched $0.6219, set for a drop of around 8.7% this year, its weakest yearly performance since 2018.

The kiwi was at $0.563, poised for a decline of nearly 11% in 2024, its softest performance since 2015.

In cryptocurrencies, bitcoin rose 2% to $93,848, well below the record high of $108,379.28 it touched on December 17. The world's best known and biggest cryptocurrency is set for a bumper 120% rise for the year.

Xi says China's 2024 GDP growth set to hit target of around 5%

Bloomberg
Hong Kong

China's gross domestic product is expected to expand around 5% for the full year of 2024, President Xi Jinping said, signalling the world's second-largest economy is on track to meet its official target.

China's economy was "overall stable and progressing amid stability," Xi said at a New Year event yesterday, according to a speech published by the official Xinhua News Agency. Risks in key areas were effectively addressed, while employment and prices remained steady, he said.

While a precise figure won't be available until next month, the Chinese leader's disclosure capped off a year of economic uncertainty, with the growth goal initially seen as a "target without a plan."

The outlook for 2024 improved after policymakers rolled out a slew of stimulus steps since late September, with economists now forecasting an expansion of 4.8% last year.

Xi signalled that support for the economy will continue into 2025 during the New Year's Eve remarks to the nation's top political advisory body, reiterating a call to adopt more proactive macroeconomic policies.

Later in the day in another New Year address televised nationally, Xi acknowledged challenges facing China's economy, including external uncertainties and shifting to new growth drivers, but called on the nation to remain confident in overcoming them.


People walk at a shopping centre in Beijing on December 25. China is expected to set a 2025 growth target roughly similar to last year's, as top leaders signalled earlier last month they're willing to embrace more forceful stimulus measures.

"In 2025, we will fully complete the 14th Five-Year Plan, implement more proactive and effective policies," Xi said. "As always, we grow in wind and rain, and we get stronger through hard times. We must be full of confidence."

As in previous years, Xi also used his speech to reiterate the ruling Communist Party's position on Taiwan. "No one can ever stop China's reunification," he said, alluding to Beijing's long-time vow to bring the self-ruled island under its control, by force if necessary.

China is expected to set a 2025 growth target roughly similar to last year's, as top leaders signalled earlier last month they're willing to embrace more forceful stimulus measures. That would help the economy counter any impact from potential increases in US tariffs after President-elect Donald Trump returns to the White House next month.

An official GDP growth target would only be revealed in March, when annual legislative sessions are held. Chinese leaders plan to set an annual growth goal of about 5% for next year, Reuters reported earlier. Economists surveyed by Bloomberg estimate 4.5% growth in 2025.

Officials at key meetings in December pledged to use greater public borrowing and spending as well as monetary easing to spur growth in 2025, in an unusually direct call that sought to boost confidence. They endorsed the first shift in monetary policy stance in 14 years to a "moderately loose" one.

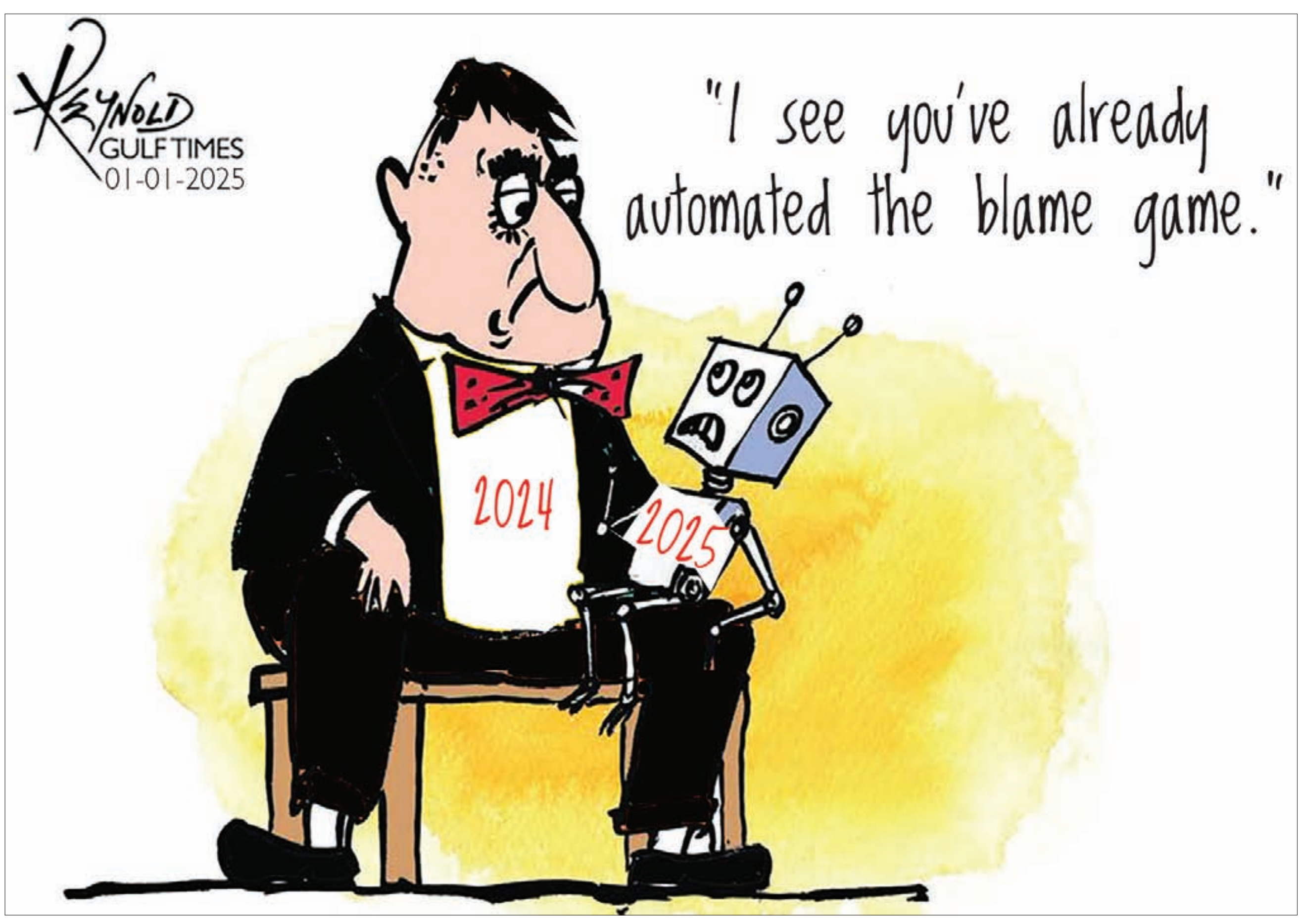
But the economy is still weighed by weak domestic demand and an uncertain outlook for exports, which has been a key growth driver last year. Deflation is likely to persist well into next year, while the property market is still slumping.

Beijing's initial stimulus this year is expected to fall short of the kind of radical action analysts believe is required to stem the downward spiral in prices, but officials may step up support later when growth falters just as they did last year.

Previously, Premier Li Qiang also revealed the nation's growth rate ahead of an official announcement by the statistics bureau in a step to lift sentiment. He said the economy grew 5.2% in 2023 in Davos last January, while highlighting the fact that China did not resort to massive stimulus.

China's next easing step could come from the People's Bank of China (PBoC), which has yet to provide a liquidity boost to markets by cutting the amount of cash banks must hold in reserves — a move it previously flagged as possible by the end of 2024.

PBoC Governor Pan Gongsheng in October said the central bank may lower the reserve requirement ratio by 25-50 basis points depending on liquidity conditions by the year's end. China's top leaders at a key economic meeting in December also vowed to trim the RRR at an "appropriate time," without providing more details.



Europe's Russian gas era comes to an end as Ukraine transit stops

Reuters
Moscow

Russian gas supplies to Europe via Ukraine were set to end on New Year's Day, bringing down the curtain on Moscow's long period of dominance of supply in the European gas market.
Russia's oldest gas export route to Europe — a pipeline dating back to Soviet days — was set to shut at the end of 2024, as a five-year transit deal between Russia and Ukraine expires. Data from Ukraine's gas transit operator showed on Tuesday that Russia had not requested any gas flows for January 1.
The European Union drastically reduced its dependency on Russian gas after the outbreak of the war in Ukraine in February 2022 by seeking alternative gas sources.
The remaining buyers of Russian gas such as Slovakia and Austria have arranged for alternative supplies, and analysts foresee minimal market impact from the stoppage.
European benchmark gas prices settled at €48.50 per megawatt hour on Tuesday, only marginally up from opening trade.
Stopping the gas flow will have a much bigger geopolitical significance, however.
Moscow has lost its dominant share of gas supplies to countries in the European Union to rivals such as the US and Norway since it invaded Ukraine, which prompted the EU to cut its dependence on Russian gas.
Once the world's biggest gas exporter, state-controlled Gazprom recorded a $7bn loss in 2023 alone, its first annual loss since 1999.
For Europe, the loss of cheap Russian gas supplies contributed to a major economic slowdown, a spike in inflation and the worsening of a cost-of-living crisis.
While Europe has been quick to find alternative energy sources, the loss of Russian gas has exacerbated long-term concerns about its declining global competitiveness and in particular about Germany's industrial future.
Russia and the Soviet Union spent half a century building up a major share of the European gas market, which at its peak stood at around 35%, but the war in Ukraine has all but destroyed that business for Gazprom.
Most Russian gas routes to Europe are shut, including Yamal-Europe via Belarus and Nord Stream under the Baltic that was blown up in 2022.
The Soviet-era pipeline via Ukraine brings gas from Siberia via the town of Sudzha — now under the control of Ukrainian soldiers — in Russia's Kursk region. It then flows through Ukraine to Slovakia, where the pipeline splits into branches going to the Czech Republic and Austria.