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BUSINESS

RESILIENT ECONOMIES : Page 4

Qatar achieves great strides in PPPs, says Chamber official

Qatar's 2024 budget is estimated to have generated 'significant surplus'

By Pratap John
Business Editor

Qatar's budget for 2024 is estimated to have generated "significant surplus" as Qatari crude oil averaged $80.01 per barrel last year.

For 2024 budget, Qatar had lowered oil price assumption to $60 per barrel compared to $65 in 2023.

Qatari crude price (Dukhan and Marine combined) averaged $79.31 per barrel in January last year, according to Bloomberg estimates.

In February, Qatari crude averaged $80.24 per barrel, $84.57 in March, $89.51 (April), $84.23 (May), $83.60 (June), $84.61 (July), $77.62 (August), $73.91 (September), $74.99 (October), $73.58 (November) and $73.98 (December), Bloomberg estimates show.

The average price per barrel fetched by Qatari crude (Dukhan) is as follows: $78.91 (January), $80.24 (February), $84.42 (March), $89.41 (April), $84.10 (May), $83.15 (June), $84.23 (July), $77.35 (August), $73.78 (September), $75.01 (October), $73.50 (November) and $74.00 (December).

The average price fetched by Qatari crude (Marine) is as follows: $79.71 (January), $80.24 (February), $84.72 (March), $89.61 (April), $84.35 (May), $84.05 (June), $84.98 (July), $77.90 (August), $74.03 (September), $74.96 (October), $73.65 (November) and $73.95 (December).

Giving details of the 2025 budget last month, HE the Minister of Finance Ali bin Ahmed al-Kuwari said it expects total revenues of QR197bn and an expenditure of QR210.2bn with an anticipated deficit of QR13.2bn.

Qatar has set an oil price of $60 per barrel in preparing the budget, he noted.

HE al-Kuwari said: "Qatar continues to adopt a conservative approach in estimating oil and gas revenues, with an average oil price of $60 per barrel. This approach aims to enhance financial flexibility and ensure spending stability."

On the anticipated deficit of QR13.2bn in 2025 budget, al-Kuwari clarified it is "theoretical" in nature.

"Qatar has set an oil price of $60 per barrel in preparing the budget. This is a very conservative price. If there is a surplus, it will be used to repay debt, strengthen Qatar's foreign exchange reserves and also channelled into the sovereign wealth fund," he said.

Al-Kuwari had noted that Qatar enjoyed very high sovereign ratings. Moody's credit rating for Qatar stands at Aa2, S&P Global (AA) and Fitch Ratings (AA).

"These highlight Qatar's robust, well managed economy and its credit worthiness. These help banks and other Qatari companies to obtain debt at attractive prices, among the best in emerging markets," the minister said.

An oil refinery on the outskirts of Doha (file). Qatari crude oil averaged $80.01 per barrel last year compared to the 2024 budget assumption of $60, estimates show.

Al-Kaabi takes part in Abu Dhabi Sustainability Week

HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi took part in the Abu Dhabi Sustainability Week 2025 yesterday. A global sustainability platform, the Abu Dhabi Sustainability Week is being held on January 14-18 under the patronage of UAE President Sheikh Mohamed bin Zayed al-Nahyan. The event aims to accelerate sustainable development and advance economic, social, and environmental progress. It brings together public and private sector decision makers, and civil society representatives to discuss how to advance the global sustainability agenda through dialogue, collaboration, and impactful solutions.

'Transiting through Doha 8.1% cheaper than via Dubai; Qatar should accord top priority for competitive stopover'

By Santhosh V Perumal
Business Reporter

Transiting through Doha is, on average, 8.1% cheaper than via Dubai, making it imperative for Qatar to accord top priority to a "competitive" stopover programme, according to a Georgetown University in Qatar study.

A study of 'Qatar's Airfare Competitiveness' by Dr Alexis Antoniade, Professor Director, and Chair of International Economics at Georgetown University in Qatar, found that on average, across all origin-destination pairs and time periods, travellers save 8.1% by choosing Doha over Dubai for transit.

Flights connecting North America and Africa that transit through Doha were, on average, 11.2% cheaper than those transiting through Dubai, it said, analysing 100mn airfares across 157 destinations between February 2023 and October 2024 (both point-to-point and transit flights through Doha).

Similarly, flights connecting the Middle East and Western Europe via Doha were 10.8% cheaper than those via Dubai, it said, adding across all regional pairs, Qatar provides cost savings for transit flights.

Suggesting that a "competitive stopover programme should be Qatar's top priority"; he said to boost tourism, the focus should not be on what to build or where to build, as this approach overlooks the main barrier to increasing tourist numbers identified.

"Instead, the focus should be on how to encourage the millions of travellers passing through Doha airport to step out and visit Qatar for a few nights," he added.

A successful stopover programme would provide an immediate boost to the tourism sector, offering critical support to the hospitality, retail, and entertainment industries, according to him.

Additionally, it would organically promote Qatar's beauty and offerings as tourists share images and stories on their social media platforms, enhancing brand awareness, according to him.

Such a programme would also improve economic sentiment, as busier streets, malls, and restaurants would create a sense of vibrancy, he said.

This, in turn, would drive growth in the real estate sector and make Qatar more attractive to companies, foreign direct investment (FDI), and talent, he added.

Results highlight a significant airfare premium for point-to-point travel to Qatar, which was 39% higher on average compared to Dubai, limiting Qatar's attractiveness as a destination. A key factor that may explain these large cost premia, which make Qatar an uncompetitive travel destination, is the greater number of carriers operating at DXB (Dubai International Airport) - including low-cost carriers - and increased competition that is absent in Qatar.

Highlighting that the average cost of economy airfare for round-trip travel to or from Qatar and the 157 airports included in the study, the author said the average airfare for economy round-trip flights to and from Qatar between February 2023 and October 2024 was $1,355 for non-stop flights and $1,541 for one-stop.

When evaluating Qatar's airfare competitiveness, the study found that Qatar is a "significantly" more expensive destination compared with Dubai across all regions, regardless of whether non-stop or one-stop flights are considered.

Travellers flying to Qatar from South Asia and back (or travellers flying from Qatar to South Asia and back) have paid on average 82.2% more than those in Dubai for similar trips. Even within Middle East and North Africa or Mena travel, point-to-point travel to or from Doha was, on average, 45.5% more expensive than comparable travel to or from Dubai.

Qatari entrepreneur highlights 'people's community' in driving economic prosperity

By Peter Alagos
Business Reporter

An economy that prioritises a "people's community", where collaboration and mutual support are essential, promotes not only venues for value creation but also implies that thriving communities have the potential to generate widespread prosperity, a veteran Qatari entrepreneur has said.

Speaking as the guest of honour of the inaugural 'Tech Startup Community Awards' hosted by Startup Grind Qatar, Sheikh Mansoor bin Khalifa al-Thani, chairman of MBK Holdings, underscored the value of building a robust community within the country's tech startup community.

Sheikh Mansoor said: "In the term 'startup community', the most important word is community because it centres on people. The people element is essential; everything we do aims to enable and support one another."

He also said: "Technology serves to help people and make things easier. A startup is fundamentally a problem solver, dedicated to creating innovative solutions. Therefore, community is a critical element.

"I envision a future where the community drives the economy and focuses on the people's economy. This perspective means that community is not just a source of value; it can also generate prosperity for humanity."

The 'Tech Startup Community Awards' was designed by Startup Grind Qatar to honour the remarkable achievements of individuals and startups that drive innovation and growth in Qatar's tech ecosystem.

Focused on celebrating community success, the initiative aimed at bringing visibility to the efforts of those who contribute to building a thriving entrepreneurial landscape, a statement from Startup Grind Qatar emphasised.

The following entrepreneurs and startups received awards in diverse categories: Innovation Café founder Ramzan al-Naimi, 'Community Builder of the Year'; EBAN GCC ambassador and board member Marcel Dridje, 'Mentor of the Year'; innovation and entrepreneurship trainer Emad Saif, 'Startup Trainer of the Year'; Tenn.Ai, 'Tech Disruptor of the Year'; Tatami, 'Idea Stage Startup of the Year'; SkipCash, 'Growth Stage Startup of the Year'; Qatar Development Bank, 'Most Value-added Investor'; Adeer Solutions founder & CEO Reema al-Kuwari, 'Female Founder of the Year'; and Wqtah, 'Breakthrough Startup of the Year'.

Sheikh Mansoor added: "I am a strong believer in building communities, and I want to thank everyone who contributes to fostering this community. I look forward to collaborating more and working together to enhance our community.

"When people ask what differentiates Silicon Valley from others, I say it's not about the system or the location—it's about the community. It's about the kind of people who drive the system and make everything happen."

Winners of the inaugural 'Tech Startup Community Awards' organised by Startup Grind Qatar. **PICTURE:** Shaji Kayamkulam

Global and regional factors lift sentiments as QSE vaults 165 points

By Santhosh V Perumal
Business Reporter

The US President-elect's gradual approach to raising tariffs and hopes of ceasefire in Gaza had their respective positive impact on the global and regional bourses, reflecting in a 165-point gain on the Qatar Stock Exchange (QSE).

The domestic institutions were seen increasingly net buyers as the 20-stock Qatar Index yesterday shot up 1.62% to 10,384.89 points, recovering from an intraday low of 10,283 points.

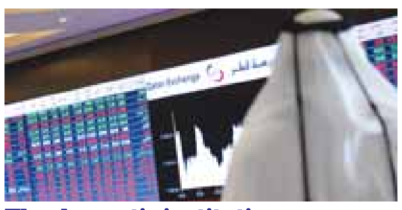
The transport and banking counters witnessed higher than average demand in the main bourse, whose capitalisation added QR8.23bn or 1.37% to QR608.65bn on the back of large and midcap segments.

More than 65% of the traded constituents extended gains in the main market, which saw no trading of exchange traded funds (sponsored by AlRayan Bank and Doha Bank).

The Gulf institutions were increasingly bullish in the main bourse, whose trade turnover grew amidst lower volumes.

The Islamic index was seen gaining slower than then the other indices in the main bourse, which saw no trading of treasury bills.

The foreign institutions' weakened net profit booking had its influence in



The domestic institutions were seen increasingly net buyers as the 20-stock Qatar Index yesterday shot up 1.62% to 10,384.89 points, recovering from an intraday low of 10,283 points

the main market, which saw no trading of sovereign bonds. The Total Return Index gained 1.62%, the All Share Index by 1.53% and the All Islamic Index by 0.95% in the main market.

The transport sector shot up 5.03%, banks and financial services (1.77%), telecom (0.73%), consumer goods and services (0.72%), industrials (0.59%) and insurance (0.26%); while real estate declined 0.19%.

Major gainers in the main market included Nakilat, Qatar Islamic Bank, QIIB, QNB, Industries Qatar, Aamal Company and Ooredoo.

In the junior bourse, Al Mahhar Holding saw its shares appreciate in value.

Nevertheless, Gulf Warehousing, Inma Holding, Qatar Oman Investment, Al Faleh Educational Holding and Dukhan Bank were among the losers in the main bourse.

In the venture market, Techno Q saw its shares depreciate in value.

The domestic institutions' net buying increased substantially to QR42.47mn compared to QR13.4mn on January 13.

The Gulf institutions' net buying strengthened significantly to QR24.63mn against QR1.65mn the previous day.

The foreign institutions' net selling decreased considerably to QR38.29mn compared to QR71.34mn on Monday.

However, the Qatari individuals turned net sellers to the tune of QR24.24mn against net buyers of QR40.47mn on January 13.

The Arab retail investors were net sellers to the extent of QR3.24mn compared with net buyers of QR7.67mn the previous day.

The foreign individuals turned net profit takers to the tune of QR1.37mn against net buyers of QR7.14mn on Monday.

The Gulf retail investors' net buying weakened marginally to QR0.04mn compared to QR0.43mn on January 13.

The Arab institutions had no major net exposure against net buyers to the extent of QR0.58mn the previous day.

Trade volumes in the main market fell 6% to 132.88mn shares, while value was up 5% to QR435.15mn but on 4% shrinkage in deals to 16,547.

The venture market saw a 15% contraction in trade volumes to 0.46mn equities and 16% in value to QR1.13mn but on 3% jump in transactions to 34.

Oil tanker rates soar as Biden sanctions threaten market chaos

Bloomberg
London/New York

Oil tanker rates jumped on Monday as the Biden Administration's sanctions on Russia's petroleum trade threaten to cut the supply of ships while forcing traders to seek alternative sources of crude.

On Friday, ten days before Donald Trump takes over, the outgoing president sanctioned about 160 Russian oil tankers. It means about a tenth of the current crude-carrying fleet is under US measures. Benchmark tanker rates jumped 39%, the most since August, tracing a rally in shares of the world's largest pureplay owners of the ships.

The hike is just one example of how the sanctions — the most aggressive by any western power since the war in Ukraine began — are threatening to disrupt Russia's petroleum supply chain. The vast majority of tankers sanctioned by the US in previous rounds haven't loaded any cargoes since then, and the sweeping scale of the latest move has driven a more than $4 a barrel increase in Brent crude futures.

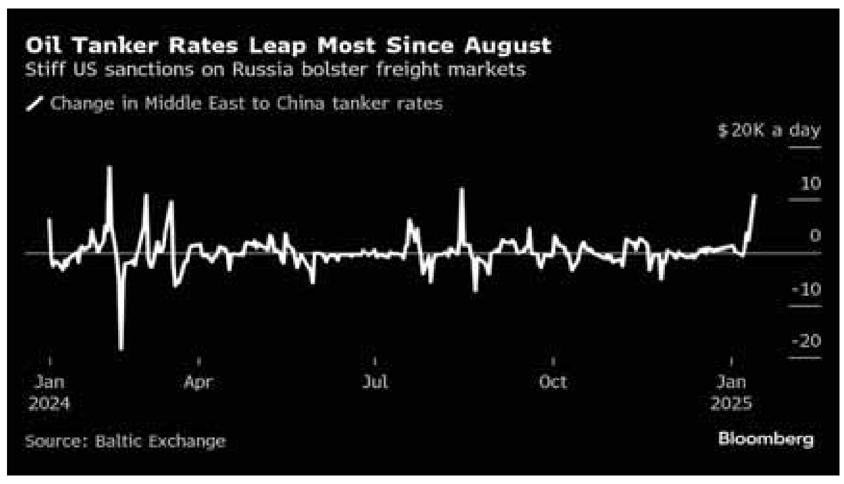
Even before Friday's sanctions, refiners in India and China had been hurriedly seeking barrels of Middle Eastern oil on worries about potentially lost supplies from Russia and also Iran. On Monday, a senior official in India said the country plans to reject oil tankers sanctioned by the US, highlighting another potential pull on the pool of unsanctioned vessels.

"There is a path for markets to strengthen materially on the back of the new vessel sanctions," Anoop Singh, global head of shipping research at Oil Brokerage wrote. "A necessary condition for freight rates to surge would be the forced idling of the sanctioned fleet. Precedent supports that outcome."

The widespread blacklisting came on the back of repeated targeting of ships hauling Iranian oil, further pressuring some tankers' ability to keep trading and effectively hitting fleet supply.

The risk of disruption to the freight market has been made more acute by a lack of new ships being delivered to the market.

With the so-called shadow fleet keeping vessels employed for longer, the "compliant" crude tanker fleet hasn't expanded since 2022, according to the boss of Frontline Management AS.



Bloomberg QuickTake Q&A

Why long and short interest rates fell out of step

By Greg Ritchie and Michael Mackenzie

Since mid-September, the US Federal Reserve has cut benchmark interest rates by 100 basis points. Yet the yield on 30-year Treasury bonds has risen by around the same amount. This divergence between short- and long-term rates is counter-intuitive and far from isolated, with UK 30-year yields hitting the highest since 1998 even as the Bank of England (BoE) eases monetary policy.

The reason: Investors are worried that the inflationary pressures sparked by the pandemic will linger in the global economy for years. And what's more, governments that spent heavily to stimulate economies during coronavirus lockdowns are still borrowing lots of money.

What's special about longer-dated bonds?

Bonds issued by wealthy nations are widely regarded as the world's safest securities, and none more so than US Treasuries. Many will look to lock in their financing for long periods such as 30 years, with some even issuing debt that matures in a century. While these bonds are often sought by longer-term investors, they are also generally more volatile.

That's because they are more sensitive to inflation. Bonds fall when inflation accelerates because it reduces the purchasing power of the bonds' interest payments. And inflation erodes the relative value of interest on 30-year bonds more than it does with shorter-dated Treasuries.

They may also be less easy to buy or sell, as a smaller cohort of investors is interested in them. They are often sought by institutions such as insurers and pension funds that need a fixed-income asset that generates cash flows to cover their liabilities, which can stretch over decades.

What's the scale of the moves so far?

The $50bn iShares 20+ Year Treasury Bond exchange-traded fund, which trades under the ticker TLT, is the world's largest ETF focused solely on ultra-long US government debt. It has fallen by around 15% since mid-September, when the Fed began cutting interest rates. While that's sizeable, it pales in comparison with the 52% decline between a high in 2020 and October 2023. That was its largest ever selloff, fuelled by surging inflation the world over that prompted central banks to raise rates.

What's interesting about the most recent slide is its pace, as well as the fact it's happening while central banks are now lowering benchmark rates.

What's driving the selloff?

Bond investors are apprehensive about lingering inflationary pressures in major economies. The long bond selloff gained pace in December, when Fed officials reined in the number of cuts they expect in 2025 after data raised concerns that inflation may be settling above the central bank's 2% target. There's also the likely impact of potential tax cuts and import tariffs being weighed by incoming US President Donald Trump that could add to inflationary pressures in a resilient economy. That has helped to push up measures of the term premium, a proxy for the compensation demanded from investors to own longer-term bonds.

Is bond supply a factor?

Certainly. Late last year, investment manager Pimco said it was "less inclined" to purchase Treasuries with extended maturities in light of ballooning US deficits.

One way of assessing the impact of supply on the increase in bond yields is through so-called swap spreads. That's the difference between, say, a US Treasury yield and the comparable rate on a swap with the same maturity. If debt supply is weighing on the market, you would expect bonds to yield more than swaps in order to attract buyers. The 30-year US swap spread shows bonds yield over 80 basis points more than equivalent swaps, compared to about 70 basis points at the start of the year.

How far could long-bond yields rise?

There's no hard ceiling on how high yields can go, though history shows the US government is likely to find buyers at higher rates. When 30-year yields broke above 5% in October 2023, the move quickly dissipated as investors sought to lock in those attractive levels. The 30-year rate finished 2023 around 4%.

Some bond investors don't rule out a further spike in yields, with ING seeing the 10-year at 5%. T. Rowe Price has also called for a 10-year yield of 5% in the first quarter of 2025 — and even hinted at the prospect of an eventual rise to 6%.

Apollo's chief economist, Torsten Slok, warned the rise in Treasury yields this week could be a "potential Liz Truss moment," in an interview on Bloomberg Television.

In principle, central banks could intervene if the market moves pick up pace. The Fed in 2012 pursued Operation Twist, where it sold short-term Treasury securities and purchased long-term notes. More recently, the BoE started buying long-maturity gilts in 2022 to stave off a disorderly selloff. There is no indication that either are considering similar moves this time.

What does that mean for other assets?

The theory goes that the higher the compensation on offer from bonds, the more they should pull money out of other asset classes including money-market funds and equities. Indeed, bond funds attracted record inflows last year as investors looked to lock in higher yields.

Some Wall Street strategists are watching bond yields closely. Morgan Stanley's equity team, led by Michael Wilson, said rates were "the most important variable to watch" in early 2025.

And how about the real economy?

Longer-term yields are particularly important in the US, where mortgages are typically fixed for 30-year terms. That means lenders set the interest rate with reference to where long-term rates are trading so they can hedge their exposure. Big companies, too, often like to borrow using long-maturity bonds which are priced relative to government debt. If market rates continue to head higher, this could potentially slow the economy by raising the cost of funding home purchases and running businesses.

QCB governor meets chairman of FGEN International Advisory Board

HE the Qatar Central Bank Governor (QCB) Sheikh Bandar bin Mohammed bin Saoud al-Thani met the chairman of the International Advisory Board of Foresight Environmental Infrastructure (FGEN) Sir Graham Boyce in Doha yesterday. During the meeting, they reviewed key developments pertaining to global finance and investments, QCB said.

Aamal Company plans a new subsidiary in Saudi Arabia

Aamal Company, one of the region's leading diversified companies, is planning to establish a new subsidiary in Saudi Arabia as part of its regional expansion and strategy to diversify revenue streams.

This "promising" addition to Aamal's investment portfolio will be part of the industrial manufacturing sector, one of the company's key operating sectors. The newly established company will specialise in a broad range of activities aimed at providing integrated solutions in the construction and infrastructure swector.

These include project design and participation in tenders, technical and engineering supervision and consulting services, production of precast concrete elements such as pillars and walls, manufacturing high-quality concrete pipes for water and wastewater networks, transportation and installation services for concrete components, quality control and inspections, comprehensive project management solutions, engineering solution development, and custom-built construction components based on demand.

"The establishment of the new company is a part of Aamal's strategic plan to expand its operations and enhance its presence in new and promising markets, with Saudi Arabia being one of the most dynamic regional and global markets at present," said its chief executive officer Rashid bin Ali al-Mansoori.

Through this company, he said Aamal aims to strengthen its regional expansion by establishing a solid business base in Saudi Arabia.

It opens new avenues for exploring opportunities in vital sectors such as technology and energy, while underpinning Aamal's position in the construction and infrastructure industry through sustainable strategic growth.

Highlighting that the launch of the new arm in Saudi Arabia underscores our commitment to contributing to infrastructure development at the regional level; the company said "we are confident that this new venture will play a key role in realising our aspirations and strengthening our partnership with the promising Saudi market. Together, we aim to build a more innovative and advanced future."

Qatari financial institutions 'active' in foreign currency-denominated sukuk issuance in 2024, says S&P

By Pratap John
Business Editor

Qatari financial institutions including banks and corporations were active in foreign currency-denominated sukuk issuance in 2024, says S&P Global Ratings has said in a report.

Significant financing needs in core Islamic finance countries and improving liquidity conditions, with major central banks starting monetary easing, led to a surge in issuance on the international sukuk market in 2024, S&P noted.

Many issuers also wanted to avoid any potential disruption that could come from local or geopolitical developments. Overall, total issuance in foreign currency rose to $72.7bn in 2024 from $56.5bn in 2023.

The increase was mainly attributable to the GCC, Malaysia and Indonesia. Among GCC countries, Saudi Arabia and Kuwait led the way, with banks, corporations and the government of Saudi Arabia stepping up their foreign-currency issuance, while banks and corporations in Qatar and Oman were also more active in this area. The United Arab Emirates (UAE) ended the year with marginally lower foreign-currency sukuk issuance than last year.

In Malaysia, performance was mainly underpinned by increased issuance by the International Islamic Liquidity Management Corporation (IILM) and a couple of issuances by the central bank and the sovereign wealth fund. Indonesia's higher sukuk volumes were due to the country's increased sovereign issuance.

"In 2025, not only do we expect monetary easing to continue but we also think financing needs in core Islamic finance countries will remain high and lead issuers to take any opportunity the market has to offer. "We therefore forecast that the volume of foreign currency-denominated sukuk issuance will reach $70bn to $80bn in 2025. It is worth noting that we did not see significant activity by non-traditional issuers in this area in 2024 and we expect such activity to remain sporadic in 2025," S&P noted.

S&P Global Ratings forecasts that sukuk issuance will amount to $190bn to $200bn in 2025, following the market's strong performance last year.

Total issuance reached $193.4bn in 2024, down slightly from the previous year's $197.8bn.

However, a notable difference was the 29% rise in foreign-currency issuance to $72.7bn as of December 31, 2024.

Many issuers wanted to benefit from the improving global liquidity conditions in 2024, with major central banks starting to ease their monetary policy and avoid any potential disruption that could come from local or geopolitical developments.

"In 2025, we expect monetary easing to continue, albeit at a slower pace than previously expected. This, combined with high financing needs in core Islamic finance countries due to ongoing economic diversification programs, will lead issuers to take any windows of opportunity to issue in the market, we believe.

"We also think that the potential impact from the adoption of Standard 62 of the Accounting and Auditing Organisation for the Islamic Financial Institutions (AAOIFI) will come in 2026 at the earliest, as we understand the organisation is continuing to receive feedback from the market. We are uncertain whether the feedback will lead to any fundamental changes to the original proposals, which we still regard as potentially highly disruptive for the industry," S&P said.

Qatar achieves great strides in PPPs, says Chamber official

Qatar Chamber board member Ibtihaj al-Ahmadani has underscored the "great strides" the country has achieved in Public-Private Partnerships (PPPs) during a recently held forum in Bahrain.

During the 'Global Women Economic Forum and Exhibition' hosted by the Bahrain Businesswomen's Society, al-Ahmadani participated in a panel discussion titled 'The Role of Public-Private Partnerships in Empowering Economies', which delved into the transformative impact of PPPs on economic growth, innovation, and sustainable development at both regional and global levels.

The panel explored how PPPs helped drive job creation, foster technological advancements, and elevate global competitiveness to build resilient and prosperous economies equipped to face future challenges.

Al-Ahmadani, who is also the chairperson of the Qatari Businesswomen Forum, said Qatar has attached great importance to PPP, especially within the framework of Qatar National Vision 2030, which underscores the shared responsibility between the government and the private sector to promote economic growth, diversify sources of income, and encourage investments.

She also highlighted Law No 12 of 2020, which regulates PPPs and establishes a supportive legislative environment for such collaborations. The law provides a robust framework to attract both foreign and local investments, enabling the implementation of innovative projects across various sectors.

Al-Ahmadani noted that the law aims to strengthen partnerships and foster cooperation between large enterprises, small and medium sized companies, and the government sector, while also encouraging competition and innovation.

"As a result of these efforts, many successful projects have been implemented under the PPP system across various sectors, including infrastructure, education, health, logistics, and others," she said.

She emphasised that Qatar's PPP plans focus on enhancing the investment environment and diversifying the sectors involved in these collaborations, noting that the scope of partnerships will expand to include new sectors, such as food security, renewable energy, technology, innovation, and Artificial Intelligence (AI), alongside continued efforts in health, education, and energy.

Al-Ahmadani said the PPP is a strategic tool for achieving sustainable growth in Qatar, as it enhances efficiency and innovation, and provides an opportunity to exchange experiences between the two sectors. "This, in turn, enhances Qatar's position as a leading investment destination at the regional and international levels," she added.

Qatar Chamber board member Ibtihaj al-Ahmadani during a panel discussion held at the 'Global Women Economic Forum and Exhibition' hosted by the Bahrain Businesswomen's Society.

US inflation still slowing as producer prices rise below expectations

Reuters
Washington

US producer prices rose less than expected in December as higher costs for goods were partially offset by stable services prices, suggesting inflation remained on a downward trend after progress had stalled in recent months.

The moderation in producer inflation reported by the Labor Department yesterday did not change the view that the Federal Reserve would not cut interest rates again before the second half of this year amid labour market resilience and the threat of potentially inflation-boosting tariffs on imported goods by President-elect Donald Trump's incoming administration.

"Better than expected is not necessarily what the Fed wants to see before easing monetary conditions into a fast-growing economy, with tariffs and tax cuts on the agenda of the incoming administration," said Carl Weinberg, chief US economist at High Frequency Economics.

The producer price index for final demand rose 0.2% last month after an unrevised 0.4% advance in November, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast the PPI would climb 0.3%. In the 12 months through December, the PPI accelerated 3.3%, the most since February 2023, after increasing 3.0% in November.

The surge in the year-on-year rate reflected lower prices last year, especially for energy products, that dropped out of the calculation. Inflation increased 3.3% in 2024 after rising 1.1% in 2023. The narrower measure of PPI, which strips out food, energy and trade, ticked up 0.1% for a second straight month. Core PPI increased 3.3% on a year-on-year basis after advancing 3.5% in November. Some economists cautioned against reading too much into the benign rise in the monthly PPI, arguing that producer prices tended to be softer in December.

They did not expect the tame reading to extend to the consumer price data for December due to be released on Wednesday. A Reuters survey forecast consumer prices would rise 0.3%, matching November's gain. "Today's PPI numbers should offer absolutely no comfort about tomorrow's CPI release," said Stephen Stanley, chief US economist at Santander US Capital Markets.