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GULF TIMES
BUSINESS

AVIATION SPECIAL : Page 4

Aircraft highly vulnerable to bird strikes; safer skies rely on concerted global action

QIB net profit rises 7% to QR4,605mn in 2024

Qatar Islamic Bank (QIB) posted a net profit of QR4,605mn, up 7% on QR4,305mn registered in 2023.

Basic earnings per share for 2024 was QR1.86 compared to QR1.73 in 2023.

QIB Board of Directors proposed additional cash dividend of 55% of the paid up share capital, i.e. QR0.55 per share taking the total cash dividend during the year to 80% of the paid up share capital, (QR0.80 per share) subject to the approval of Qatar Central Bank and QIB's General Assembly.

QIB's total assets stood at QR200.8bn in 2024, representing a growth of 6.1% compared to QR189.2bn in 2023. Financing and investing activities were the primary drivers for the asset growth. Financing activities have now reached QR125.3bn having grown by 2.4% compared to December 2023 and investment securities reached QR53bn as on December 31, 2024.

Customer deposits stood at QR125bn (as on December 31, 2024), up 3.4% on December 2023 with financing to deposit ratio of 94.5% (as on December 31, 2024), compared to QCB's maximum requirement of 100%, reflecting the bank's strong liquidity position.

Total income for 2024 registered a strong growth of 9.4% to reach QR11.7bn compared to QR10.7bn in 2023.

Net income from financing and investing activities registered a robust growth of 10% to reach QR10.7bn in 2024 compared to QR9.7bn in 2023.

QIB's drive to improve the efficiency supported by strict cost management measures helped in bringing down the cost-to-income ratio by 10 bps from 17.1% in 2023 to 17.0% for 2024, which is "the lowest" in the Qatari banking sector.

QIB was able to manage the ratio of non-performing financing assets to total financing assets around 1.86% (as on December 31, 2024) - one of the lowest in the industry, reflecting the quality of the

QIB's total assets stood at QR200.8bn in 2024, representing a growth of 6.1% compared to QR189.2bn in 2023

bank's financing assets portfolio and its effective risk management framework.

QIB continued to create precautionary impairment charge on financing assets for QR865.3mn in 2024 and maintaining a healthy coverage ratio for non-performing financing assets at 95% as of (as on December 31, 2024).

Total shareholders' equity of the bank reached QR27.2bn in 2024, an increase of 7% compared to QR25.4bn in 2023.

As on December 31, 2024, the bank's total capital adequacy under Basel III guidelines was 20.9%, well above the regulatory minimum requirements prescribed by Qatar Central Bank and Basel Committee.

Commenting on QIB 2024 financial results, bank chairman Sheikh Jassim bin Hamad bin Jassim bin Jaber al-Thani stated: "As we close the year 2024, I am proud to reflect on QIB's remarkable journey and the significant milestones we have achieved. Our financial performance this year is a testament to the bank's solid strategy, innovative initiatives, and unwavering commitment to delivering exceptional value to our customers, shareholders, and the broader community.

"Beyond financial success, 2024 was marked by groundbreaking advancements in digital banking, steadfast dedication to environmental, social, and governance (ESG) principles, and robust partnerships within the corporate sector."

"At QIB, we prioritise our customers by placing their needs at the forefront of our operations. The past year, we strengthened our core businesses and expanded revenue streams with innovative products and services. Our focus on technology adoption, cost optimization, and customer-centricity has positioned us as one of the world's most efficient banks.

"We delivered strong ROA and ROE ratios, providing high returns to our shareholders and reinforcing our confidence in achieving future objectives.

"A balanced and diversified balance sheet remains a cornerstone of our strategy, enabling us to cater to all segments of the Qatari economy while upholding stringent risk management practices, including ESG integration.

"With one of the lowest non-performing financing assets ratios in Qatar and the region and a sharp increase in digital adoption, including 99% self-service transactions and significant contributions from digital sales, we are setting benchmarks in operational excellence."

Sheikh Jassim noted: "These accomplishments reflect our unwavering focus on delivering sustainable growth, pioneering innovation, and fostering inclusivity and community development. As we look forward to 2025, we remain committed to building on this success, setting new benchmarks in Islamic banking, and continuing to serve as a trusted partner for our customers and the Qatari community."

In July 2024, Fitch affirmed QIB credit rating at 'A' with a stable outlook.

In June 2024 Moody's affirmed the long-term deposit ratings at 'A1' with a stable outlook.

In April 2024, Capital Intelligence (CI) affirmed the bank's long-term rating to 'AA-' with a stable outlook.

In 2024, QIB received numerous prestigious awards for its innovation and excellence in the financial sector, further aligning with Qatar National Vision 2030 and Qatar Central Bank's strategic plans for the financial sector.

Commercial Bank Financial Services, a wholly-owned subsidiary of Commercial Bank, received two "prestigious accolades" at the 2024 International Finance Awards - 'Fastest Growing Brokerage House - Qatar 2024' and 'Fastest Growing Securities Trading App - CB Waseet - Qatar 2024'.

Commercial Bank Financial Services bags two global awards

Commercial Bank Financial Services (CBFS), a wholly owned subsidiary of Commercial Bank, received two "prestigious accolades" at the 2024 International Finance Awards - 'Fastest Growing Brokerage House - Qatar 2024' and 'Fastest Growing Securities Trading App - CB Waseet - Qatar 2024'.

By offering direct access to the Qatar Stock Exchange and advanced online trading solutions, CBFS serves individuals, corporations, and institutions locally and internationally.

The brokerage house has consistently tailored its offerings to meet the evolving needs of diverse customer segments, including the younger generation, empowering them to confidently manage their financial future.

Shahnawaz Rashid, executive general manager and head (Retail Banking) at Commercial Bank and Chairman of CBFS Board, stated: "These awards reflect our commitment to world class innovation and delivering customer-centric solutions to our brokerage clients. By leveraging advanced analytics and seamless IT Platforms, we empower our clients to confidently navigate the ever-evolving financial landscape and make informed investment decisions."

"Our success is driven by our ability to anticipate and meet customer needs with unmatched trading solutions," added Hamad al-Shehri, general manager of CBFS.

"This recognition underscores our team's dedication and our commitment to delivering exceptional value to our clients."

Commercial Bank Financial Services said it is dedicated to innovation and delivering exceptional financial solutions, and CBFS will continue to lead in the financial services sector, focusing on cutting-edge tools and outstanding customer experiences to ensure client success.

QIIB names winner of '2024 QR1mn prize' in 'Joud' Savings Account draw

QIIB has announced the lucky winner of the '2024 QR1mn prize' in the exclusive draw for the 'Joud' Savings Account.

The cheque for the prize was presented to the winner, Salwa Fadol al-Yazidi, by QIIB CEO, Dr Abdulbasit Ahmed al-Shaibei, during a ceremony held at QIIB's headquarters on the Grand Hamad Street, attended by several senior executives of the bank

On the occasion of announcing the results of the final 2024 draw, Dr al-Shaibei stated: "We extend our heartfelt congratulations to the winner of the grand prize of QR1mn and all the customers who won prizes through the 'Joud' Savings Account in 2024.

"We take great pride in rewarding our customers and providing them with the best products and services that deliver added value and exceed their expectations." He noted: "The first year of launching 'Joud' Savings Account witnessed significant interest from customers, reflecting how well the bank's meets their aspirations. QIIB has consistently aligned itself with the evolving needs of its customers, the evolving banking market, and the diverse competitive dynamics within the banking industry.

"QIIB is actively analysing all indicators related to the 'Joud' Savings Account to further enhance and develop it in the future. This aims to enhance the benefits and advantages offered to customers, making it an ideal choice for savings accounts in the local market."

He encouraged customers to "take full advantage of the benefits offered by the 'Joud' Savings Account in 2025, by increasing their chances of winning numerous prizes and enjoying the distributed profits."The grand prize winner, Salwa Fadol al-Yazidi, shared her gratitude, stating: "I would like to thank QIIB for this outstanding product, which gave me the opportunity to win the grand prize. I wish all customers the best of luck in winning the many prizes offered by the 'Joud' Savings Account.

In my view, every QIIB customer is a winner with the advanced

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services and exceptional benefits the bank provides." Moreover, five customers received quarterly prizes of QR50,000 each, while 10 customers were awarded monthly prizes of QR10,000 each for December 2024. The winners of the quarterly prizes are: Umarbakksh Maidagul, Ali Hilal al-Kuwari, Khalid Mohammed al-Mansouri, Hani Benhassen Kilani and Nasma Saleam. The winners of the December 2024 monthly prizes are: Safia Hamad al-Marri, Ghanam Ali al-Azba, Sultan Mansoor al-Naimi, Tarfa Hammad Alanzi, Jabr Abdelfattah Aldous, Hamad Jaber al-Braidi, Salah Nasser al-Bakri, Abdulaziz Ali Ali, Mohammed Husein Abuhassan and Mohammed Mubarak al-Hajri.

The final 2024 'Joud' Savings Account draw was held at the QIIB headquarters in the presence of a representative from the Ministry of Commerce and Industry and several relevant bank officials.

Power International Holding completes acquisition of Mobile Telecom-Service from Kazakhtelecom

Power International Holding (PIH), a globally recognised Qatar-based conglomerate, has officially completed the acquisition of a 100% participatory interest in Mobile Telecom-Service LLP (MTS) from Kazakhtelecom JSC.

This acquisition follows the initial agreement signed on February 14, 2024, in Doha between PIH, Kazakhtelecom, and the sovereign wealth fund Samruk-Kazyna as well as the signing of the definitive sale and purchase agreement on June 4, 2024.

MTS, known for its prominent brands Altel and Tele2, is the country's leading provider of ultrafast 5G connectivity. Established in 2004, MTS employs around 2,000 staff and operates over 140 retail stores. The company offers a comprehensive range of telecommunications and digital services, making it a cornerstone of Kazakhstan's telecommunications landscape.

With Kazakhstan's population of 20.2mn and high penetration rates of mobile and internet usage, the telecom industry is experiencing robust growth, driven by increasing consumer demand for enhanced connectivity and digital services.

Moutaz Alkhayyat, Chairman of PIH, highlighted the strategic significance of this acquisition: "This acquisition is part of our expansion strategy in the Republic of Kazakhstan. Kazakhstan offers a dynamic investment landscape, marked by its strategic location, rich resources in addition to its commitment to fostering a favourable business climate, alongside an increasingly diversified economy. Kazakhstan's resilience and openness to innovation make it an attractive destination for sustainable growth and long-term investments".

Bagdat Mussin, CEO, Kazakhtelecom, valued the successful completion of the transaction: "This transaction represents a significant milestone in MTS's strategic evolution and positions it for continued growth and enhanced value creation. To Page 2

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Qatar participates in fourth Future Minerals Forum in Riyadh

Qatar has participated in the ministerial roundtable on mineral resources, organised by the Saudi Ministry of Industry and Mineral Resources, as part of the fourth Future Minerals Forum (FMF) in Riyadh. HE Dr Ahmed bin Mohammed al-Sayed, Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry, headed the Qatari delegation.

The ministerial roundtable convened ministers, governmental and non-governmental delegations, and multilateral agencies involved in the mining sector at regional and international levels.

Discussions centred on reviewing the progress of initiatives from the third edition of the FMF, which included developing a strategic framework for critical minerals across the mining corridor extending from Africa to West and Central Asia to increase value addition in mineral-producing nations, producing green minerals using modern technologies and renewable energy, and establishing regional centres of excellence to enable investment, capacity building, and human resource development. On the sidelines of the conference, Dr al-Sayed held bilateral meetings with key Saudi officials, including Bandar bin Ibrahim al-Khorayef, Minister of Industry and Mineral Resources; Khalid bin Abdulaziz al-Falih, Minister of Investment; and Muhammad al-Abduljabbar, acting governor of the General Authority for Foreign Trade.

Additionally, Dr al-Sayed met with Jorge Luis Montero Cornejo, Minister of Energy and Mining of Peru, where discussions focused on strengthening trade partnerships between Qatar and the respective countries, increasing bilateral trade, and exploring new opportunities for co-operation in foreign trade.

HE Dr Ahmed bin Mohammed al-Sayed, Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry, at the fourth Future Minerals Forum in Riyadh.

UDC appoints Yasser Salah al-Jaidah as CEO

United Development Company (UDC) has appointed Yasser Salah al-Jaidah as the new chief executive officer, succeeding Ibrahim Jassim al-Othman, who successfully led the company over the past years.

Additionally, al-Othman has been appointed as a senior adviser to the board of directors.

With more than 20 years of experience in various fields including project management and strategic investment, al-Jaidah has held several leadership roles, most notably as chief executive officer of Qatar Cool, where he successfully achieved significant investment growth and expansion in the energy and utilities sectors.

Al-Othman served as chief executive officer since 2015 and was recognised in 2024 as one of the top 30 leaders who transformed the real estate sector in the Gulf for his outstanding contributions.

He led significant transformations in the region and enhanced the company's position as a leader in realty development. Among his notable achievements is the company's latest project, Gewan Island, which has raised the standards of real estate development in Qatar, offering a unique identity and becoming one of the luxurious destinations in the country.

Yasser Salah al-Jaidah.

QCB grants sandbox entry approval to Madad Financial Technologies

The Qatar Central Bank (QCB) has granted sandbox entry approval to Madad Financial Technologies.

The approval was granted in line with the Third Financial Sector Strategy, the Fintech Strategy, and the QCB's efforts to develop and regulate the fintech ecosystem in the country.

Madad Financial Technologies offers an innovative digital invoice discounting marketplace designed specifically for micro, small, and medium enterprises (MSMEs). This step highlights QCB's commitment to fostering the financial sector and advancing the objectives of the third financial sector strategy.

However, QCB said the entry into the regulatory sandbox does not equate to full-scale licensing approval; rather the applicant is considered an authorised fintech sandbox participant for regulatory activities by the fintech entity.

QSE index rises 44 points on buy interests in telecom, industrials and banks: M-cap adds QR1.82bn

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) yesterday rose about 44 points on the back of buying interests especially in the telecom, industrials and banking counters.

The foreign funds' weakened net selling was seen as the 20-stock Qatar Index gained 0.42% to 10,428.81 points, recovering from an intraday low of 10,351 points.

The local retail investors' lower net profit booking had its influence in the main bourse, whose capitalisation added QR1.82bn or 0.3% to QR610.47bn on the back of small and microcap segments.

However, about 61% of the traded constituents were in the red in the main market, which saw as many as 275, exchange traded funds (sponsored by Al-Rayan Bank and Doha Bank) valued at mere QR624 changed hands across two deals.

The domestic institutions continued to be bullish but with lesser vigour in the main bourse, whose trade turnover fell amidst higher volumes.

The Islamic index was seen gaining slower than the main barometer of the main bourse, which saw no trading of treasury bills. The Arab individuals were increasingly net profit takers in the main market, which saw no trading of sovereign bonds.

The Total Return Index gained 0.42%, the All Share Index by 0.27% and the All Islamic Index by 0.38% in the main market.

The telecom sector index shot up 2.42%, industrials (0.47%) and banks and financial services (0.45%); while transport declined 1.13%, insurance (1.08%), real estate (1.07%) and consumer goods and services (0.16%).

Major gainers in the main market included Ooredoo, Gulf International Services, Doha Bank, Qatar National Cement, Qatar Islamic Bank, Commercial Bank, Estithmar Holding and Qamco.

Nevertheless, Lesha Bank, Meeza, Doha Insurance, Al Khaleej Takaful, Nakilat, Widam Food, Al Faleh Educational Holding, Barwa and United Development Company were among the shakers in the main bourse. In the venture market, both Al Mahhar Holding and Techno Q saw their shares depreciate in value. The foreign institutions' net selling decreased considerably to QR8.31mn compared to QR38.29mn on January 14.

The Qatari individual investors' net profit booking shrank noticeably to QR16.99mn against QR24.24mn the previous day.

However, the Arab retail investors' net selling increased perceptibly to QR10.18mn compared to QR3.24mn on Tuesday.

The foreign individuals' net profit booking strengthened markedly to QR3.62mn against QR1.37mn on January 14.

The Gulf retail investors turned net sellers to the tune of QR2.59mn compared with net buyers of QR0.04mn the previous day. The domestic institutions' net buying weakened notably to QR40.97mn against QR42.47mn on Tuesday.

The Gulf institutions' net buying decreased substantially to QR0.72mn compared to QR24.63mn on January 14.

The Arab institutions had no major net exposure for the second straight session.

Trade volumes in the main market rose 10% to 146.69mn shares, while value was down 1% to QR431.54mn and deals by less than 1% to 16,490.

The venture market saw 89% plunge in trade volumes to 0.05mn equities, 88% in value to QR0.14mn and 65% in transactions to 12.

The foreign funds' weakened net selling was seen as the 20-stock Qatar Index gained 0.42% to 10,428.81 points, recovering from an intraday low of 10,351 points

QFC sees 'record-breaking' registrations in 2024

By Santhosh V Perumal
Business Reporter

The Qatar Financial Centre (QFC) saw as many as 836 new firms join its ecosystem during 2024 with technology and IT companies as well as consulting and professional services constituting the bulk.

Highlighting that 2024 as "record-breaking" year for QFC firm registrations, it said as many as 836 new firms registered in the QFC during 2024, bringing the total to about 2,500.

During 2024, the technology and information technology sector witnessed the maximum of 219 registrations, followed by consulting and professional services (144), media and entertainment (96), energy and utilities (91), wealth (73) and fintech (50).

The QFC's strategy has been to increase the inflow of foreign investments, diversify the economy, and position the country as a leading tech hub in the region. The year saw the launch of digital assets framework, a comprehensive and innovative regime for the creation and regulation of digital assets in the QFC, paving way for companies to offer token services.

The QFC firms originated from as many as 123 countries with Qatar representing 20% of it, followed by India (10%), the UK (8%), the US (5%), France (4%), Lebanon (4%), Jordan (4%), Turkiye and Canada joint (3%), Egypt (2%) and Pakistan (2%).

During the review period, as many as 24 memoranda of understanding were signed. The QFC had hosted 25 events and received as many 40 delegations and 31 ambassadors.

As many as 2,300 new joiners were reported during 2024, taking the total employees to more than 11,700 from as many as more than 150 nationalities.

During the year, the Data Protection Office (DPO) of the QFC was awarded full membership in the Global Privacy Assembly (GPA), the premier global forum for data protection and privacy authorities.

Among the notable agreement was the Hashgraph Association (THA), the Swiss-based entity at the forefront of global digital enablement, entering into a strategic partnership with the QFC to launch a $50mn Digital Assets Venture Studio.

The QFC, which is on a "renewed trajectory", is finding considerable prospects in the run-up to 2030 on increasing demand for digital payments, a stronger focus on sustainability in business and community, and accelerated mobility of skilled talent and private wealth.

Power International Holding completes acquisition of Mobile Telecom-Service from Kazakhtelecom

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I am confident that such a reputable international strategic investor as Power International Holding will make every effort for the further development and prosperity of not only MTS but also the entire mobile telecommunications industry in Kazakhstan, bringing innovation, high-quality service standards, strengthening competition and setting new benchmarks. I am also proud of the work that the MTS team has achieved under our leadership and pleased to pass the baton to PIH to develop MTS' work further and with greater focus, supporting the digital transformation of Kazakhstan."

Ramez Alkhayyat, President of PIH, added: "Power International Holding's telecommunications group is a key component of the Company's strategic growth. Through this acquisition, we aim to significantly contribute to the development of the telecommunications and technology sectors, offering innovative solutions that will enhance the digital experience in Kazakhstan.

"At PIH, we are strategically investing in this sector and contemplating several options around the world positioning ourselves at the forefront of innovation and meeting the growing demand for technology-driven solutions."

Mikhail Gerchuk, CEO of the Telecom Group at Power International Holding (PIH), commented: "Through this acquisition we aim at improving the customer experience and accelerating the growth of the technology sector in Kazakhstan.

Along with PIH's portfolio that includes AI-powered applications, cloud analytics, robotic process automation, and AI-enhanced customer experiences, we are committed to positioning Tele2 as a telecom and digital champion in Kazakhstan."

US consumer prices post largest gain in nine months in December

Reuters
Washington

US consumer prices increased by the most in nine months in December amid higher costs for energy goods, pointing to still-elevated inflation that aligns with the Federal Reserve's projections for fewer interest rate cuts this year.

There were, however, some hopeful signs in the fight against inflation, with the report from the Labor Department yesterday showing a measure of underlying price pressures subsiding after barely budging for four straight months.

That raised prospects of tame monthly readings in the inflation gauges watched by the US central bank for its 2% target, and prompted financial markets to bet on a rate cut in June.

A resilient economy, the threat of broad tariffs on imported goods and mass deportations of undocumented immigrants — actions that are deemed inflationary — have led the Fed to project a shallower rate-cut path this year. President-elect Donald Trump, who will be inaugurated next week, has also pledged tax cuts, which would fuel economic growth.

"There's still more inflation-fighting work for the Fed to do, which is why it has shifted plans to more slowly reduce the still-restrictive federal funds rate," said Sal Guatieri, a senior economist at BMO Capital Markets.

"It will stand pat later this month, and may not resume cutting rates until it gets some clarity on the inflation pass-through of the tariffs that could begin rolling out next week." The consumer price index rose 0.4% last month, the largest gain since March, after climbing 0.3% in November, the Labor Department's Bureau of Labor Statistics said. A 2.6% jump in the cost of energy products accounted for more than 40% of the increase in the CPI. Energy prices, which had risen 0.2% in November, were boosted by a 4.4% surge in the cost of gasoline.

Consumers also faced higher prices for food, which rose 0.3% after advancing 0.4% in November. Grocery store prices rose 0.3%, driven by increases in the costs of cereals and bakery products, meats, poultry and fish.

Egg prices soared 3.2%, reflecting an avian flu outbreak that has reduced supply. They increased 36.8% year-on-year.

In the 12 months through December, the CPI advanced 2.9%. That was the largest rise since July and followed a 2.7% increase in November. Some of the rise in the annual CPI rate reflected last year's low readings dropping out of the calculation. Economists polled by Reuters had forecast the CPI gaining 0.3% and rising 2.9% year-on-year.

Consumer prices increased 2.9% in 2024, slowing from 4.1% in 2023. Progress bringing inflation back to its target recently hit a snag. Consumers' inflation expectations soared in January, with households concerned that tariffs would raise goods prices.

"Inflation improved meaningfully in 2024, although it did not slow enough to meet the Fed's target or satisfy consumers weary from the big cumulative price increases of the last few years," said Bill Adams, chief economist at Comerica Bank.

No rate cut is expected at the Fed's Jan 28-29 policy meeting. Financial markets, however, increased bets on a rate reduction in June.

The central bank launched its easing cycle in September and has lowered its benchmark overnight interest rate by 100 basis points to the current 4.25-4.50% range.

The last reduction was in December when policymakers also projected two rate cuts this year instead of the four they had forecast in September. The policy rate was hiked by 5.25 percentage points between March 2022 and July 2023.

ECB to extend rate cuts by mid-year, say economists

Reuters
Frankfurt

The European Central Bank (ECB) will extend back-to-back interest rate cuts at least until July in an effort to shield the weak eurozone economy, which faces an imminent threat from US tariffs, according to a majority of economists polled by Reuters.

US President-elect Donald Trump is set to return to the White House on Monday. His economic plans, which include at least 10% tariffs on all imported goods, have sent shockwaves through financial markets, raising worries more pain is ahead for the common currency union.

The ECB can ease policy further this year but must find a middle ground that neither induces a recession nor causes an undue delay in curbing inflation, which has turned higher, ECB Chief Economist Philip Lane said on Monday.

The bloc's top two economies are mired in political turmoil and activity has remained sluggish. Germany's economy contracted 0.2% last year, the Federal Statistics Office said. The eurozone economy ended 2024 in a fragile state, a PMI survey showed.

"Given the political situations in France and Germany, there is a high risk we will see inactivity in Europe which will certainly hold back investment, consumption and also makes Europe potentially weaker in reacting to Donald Trump," said Carsten Brzeski, global head of macro at ING.

The European Central Bank headquarters in Frankfurt. The ECB will extend back-to-back interest rate cuts at least until July in an effort to shield the weak eurozone economy, which faces an imminent threat from US tariffs, according to a majority of economists polled by Reuters.

"The ECB will have to deliver on rate cuts, because if they don't, they risk undershooting inflation," he said.

The ECB's Governing Council started its easing campaign last June, delivering four interest rate cuts in 2024. They still have several more in store this year.

All 77 economists in the January 10-15 poll said the deposit rate would fall another 25 basis points on Jan. 30 to 2.75%. A 60% majority, 46 of 77, expect three more cuts by mid-year, in March and two in the second quarter, taking the deposit rate to 2.00%, largely unchanged from last month.

The rest, 31, shared varied views on where the rate would be by end-Q2, ranging from 1.75-2.50%.

It will be 2.00% until at least mid-2026, poll medians showed.

A further 30 of 76 economists said the deposit rate would be below 2.00% by end-year while 13 said higher.

Markets are fully pricing in a cut this month and around 90 basis points of reductions in total this year. That is in stark contrast to just one 25 basis point reduction priced in by year-end from the US Federal Reserve amid rising concerns of a resurgence in inflation.

"The threat of tariffs from the US is affecting investment decisions already in the euro area and that's contributing to the relatively weak growth outlook," said Chris Scicluna, head of research at Daiwa Capital Markets Europe.

Scicluna was one of the top forecasters for the eurozone in Reuters polls last year, according to LSEG StarMine calculations.

'BoE to cut interest rates four times this year'

Reuters
London

The Bank of England (BoE) will cut interest rates four times this year to support a flat-lining economy, economists polled by Reuters said, but they added that risks to inflation are to the upside, suggesting policymakers may end up doing less.

Interest rate futures are pricing in only two reductions this year, and recent ructions in global bond markets underscore rising inflation concerns linked to US President-elect Donald Trump's protectionist economic agenda.

British inflation slowed unexpectedly last month and core measures of price growth — tracked by the BoE — fell more sharply, suggesting scope for more cuts even though the Federal Reserve may only have one cut left to go.

While interest rates futures are pricing in just two 25 bps rate cuts from the BoE for the year, a 60% majority of economists polled Jan 10-15, 38 of 63, expect four quarter-point cuts, taking Bank Rate to 3.75%. That outlook was unchanged from last month.

All 65 economists in the current survey expect the central bank to trim Bank Rate by a quarter percentage point on February 6.

Despite that unanimity on the near-term outlook, some economists do not hold much confidence in how many rate cuts the BoE will be able to deliver, echoing recent cautious language from policymakers themselves.

"With underlying inflation already high, and a range of survey based inflation expectations moving higher, the BoE is likely to be more hesitant," noted economists at JP Morgan.

"We expect the BoE will still cut in February, but the Bank will find it harder to send a confident message about future easing if inflation expectations continue to rise." All but two of 25 economists who answered an additional question said it was more likely UK inflation this year will come in higher than their forecasts rather than lower. Inflation as measured by the consumer price index (CPI) was forecast to average 2.5% this year and 2.1% next.

Complicating matters has been a punishing sell-off in the pound in recent days and in UK government debt, along with US Treasuries, which has pushed the yield on the benchmark 10-year gilt to its highest since 2008.

"The increase in yields is mainly a global story," noted Michael Saunders, senior advisor at Oxford Economics and former BoE Monetary Policy Committee member.

Boeing production in 2024 less than half of Airbus

By Alex Macheras

The global aviation sector experienced another year of uneven battle between Airbus and Boeing in 2024, with the two largest aircraft manufacturers reporting sharply contrasting performances. While Airbus managed to deliver its highest number of aircraft since 2019, Boeing struggled with production halts and operational disruptions, resulting in a widening gap between the two competitors.

Airbus reported delivering 766 commercial aircraft to 86 customers around the world in 2024. This represented a continuation of its post-pandemic recovery efforts, bolstered by the successful ramp-up of production lines and sustained global demand for new-generation aircraft. The European manufacturer also logged 878 gross new orders during the year, ending with an order backlog of 8,658 aircraft. These figures demonstrate Airbus' ability to convert demand into firm commitments, even as global supply chains remain strained.

Christian Scherer, CEO of Airbus Commercial Aircraft, described 2024 as a "good year" for the company. He highlighted several milestones, including the first deliveries of the A321XLR, A330neo, and A350 to new operators, as well as a notable uptick in widebody orders. "We won key customer decisions with some of the most important airlines globally, complementing our leading position in the single-aisle market," Scherer said. While acknowledging the challenges posed by a complex operating environment, he credited Airbus' team and longstanding customer relationships for the results.

In contrast, Boeing reported significantly lower numbers, delivering just 348 aircraft in 2024. This marked a steep decline compared to the previous year, driven by a combination of high-profile internal and external disruptions. Early in the year, the company faced a major setback when a midair door panel blowout on an Alaska 737 Max raised safety concerns, prompting investigations and temporary pauses in certain production lines. The situation was exacerbated by an eight-week machinist strike in the autumn, which effectively halted production of key aircraft models, including the 737 Max, and most 787 Dreamliners.

Despite making headlines for disruption, Boeing did, however, secure notable orders during the year. December alone saw 142 gross orders, including 100 737 Max aircraft for Pegasus Airlines and 30 787 Dreamliners for flydubai. However, the company also had to remove more than 130 orders from its books, primarily due to the collapse of India's Jet Airways. For 2024, Boeing's gross orders stood at 569, with net orders — after accounting adjustments — at 377. These figures lagged considerably behind Airbus' 826 net orders, further highlighting the challenges facing the American manufacturer.

The delivery gap between Airbus and Boeing, which reached 418 aircraft in 2024, underscores the extent to which the two companies are operating on different trajectories. Airbus has managed to maintain a steady flow of deliveries despite global supply chain issues, whereas Boeing has been unable to match this pace due to the significant issues it's facing in the area of quality and safety.

This disparity has had tangible effects on airlines and lessors, many of whom have reported delays in receiving ordered aircraft. The shortage of available aircraft has also driven up lease rates, with aviation data firm IBA noting that rental prices are expected to reach record levels in 2025.

Both Airbus and Boeing are contending with supply chain constraints that limit their ability to meet the demand for aircraft.

Components such as engines and electronic systems remain in short supply, creating bottlenecks that slow production. For Airbus, these challenges have not yet significantly disrupted its operations, although the company has warned that delivery targets may be difficult to sustain without improvements in the global supply chain. Boeing, on the other hand, appears more acutely affected, with production delays contributing to missed delivery targets and growing customer dissatisfaction.

Despite their differences in performance, both manufacturers are navigating a landscape shaped by shifting industry priorities. Airlines are increasingly focused on fleet modernisation to meet rising passenger demand and environmental targets.

This has led to strong interest in fuel-efficient narrowbody aircraft like the A320neo and 737 Max families, as well as widebody jets capable of supporting long-haul routes.

For Airbus, this trend has bolstered its order book, particularly with the A321XLR, which offers airlines the ability to serve long-haul routes from smaller hubs. Boeing, too, has seen continued interest in its 787 Dreamliner, although its delivery delays have tempered some of the enthusiasm among airline customers. Riyadh Air this week took delivery of its first 787-9, which will be used for training and later, spare parts.

For Airbus, sustaining this momentum will require addressing supply chain vulnerabilities and maintaining its production ramp-up. Boeing faces a more obvious, significant challenge: rebuilding its reputation and operational capacity in an increasingly competitive environment. The company has already announced plans to ramp up production of its 737 Max, but questions remain about whether it can execute these plans effectively while avoiding further disruptions.

For manufacturers, deliveries are critical as they trigger the bulk of payments from airline customers. Airbus' ability to deliver nearly 800 aircraft in a year puts it in a stronger cash flow position compared to Boeing, which delivered fewer than 350. In the long run, this financial gap could further influence the two companies' ability to invest in future programmes and technologies, potentially shaping their competitive positions in the years to come.

2024, much like the year prior, also served as a reminder of the fragility of the global aerospace supply chain. While both Airbus and Boeing have benefited from a robust recovery in demand, their ability to convert this demand into deliveries has been limited.

For the industry as a whole, both manufacturers agree that addressing these bottlenecks will be key to supporting growth and ensuring that airlines will be able to meet passenger needs efficiently.

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

Aircraft highly vulnerable to bird strikes; safer skies rely on concerted global action

By Pratap John

Bird strikes — collisions between birds and aircraft — have been a challenge for aviation since the industry's earliest days.
While these incidents primarily affect birds, they can also present risks to aircraft safety.
However, thanks to continuous advancements in aviation technology and rigorous safety protocols, the likelihood of a bird strike resulting in serious consequences remains remarkably low.
In December 2024, nearly 180 people died after a plane crashed as it was landing at Muan International Airport in South Korea.
Harrowing video footage shows the Jeju Air plane coming off the runway before colliding with a barrier and bursting into flames at Muan International Airport.
The plane, which was returning from Bangkok, Thailand, was carrying 181 people - 179 of whom were killed. Two crew members were rescued from the wreckage.
Authorities are investigating the cause of the crash, with fire officials indicating a bird strike and bad weather. However, experts have warned the crash could have been caused by a number of factors.
The exact cause of the tragic plane crash in South Korea, which claimed the lives of 179 people, still remains under investigation. However, questions have emerged about whether a bird strike — an increasingly prevalent issue in global aviation — may have played a role.
South Korean authorities have reported that the control tower at Muan International Airport issued a bird warning to the aircraft shortly before its intended landing.
Investigators are diligently examining all potential factors contributing to the crash, including the possibility of a bird strike.
Bird strikes often cause significant structural damage to aircraft, especially when larger birds or flocks are involved. Engines, windshields, and leading edges of wings are particularly vulnerable.
Engine ingestion of birds invariably result in engine failure, posing a critical safety risk. Flights often need to be delayed or cancelled following a bird strike for thorough inspections and necessary repairs.

A passenger aircraft takes off from an airport in Virginia. Bird strikes — collisions between birds and aircraft — have been a challenge for aviation since the industry's earliest days. While these incidents primarily affect birds, they can also present risks to aircraft safety.

Beyond the Tarmac

These disruptions lead to cascading effects across airline schedules, causing inconvenience for passengers and increased operational costs for airlines.
Bird strikes necessitate costly repairs and inspections. Replacing damaged components, especially engines or windshields, impact an airline's budget significantly. In some cases, aircraft may need to be grounded for extended periods, further increasing costs.
Safety experts say the proximity of airports to bird habitats has seen to exacerbate the problem. Efforts to mitigate bird strikes often involve ecological considerations, such as wildlife management around airports, which require careful planning and resources. They suggest that airlines and airports must invest in bird detection and deterrence technologies, such as radar systems, habitat management, and pyrotechnics.
Compliance with regulations concerning wildlife hazards adds additional operational complexity and costs. A vast majority - up to 90% of bird strikes with a known location occur in or around airport vicinities, posing challenges not only for aircraft operators but also for the operational safety of airports. Collecting and analysing bird strike data is critical for identifying high-risk locations and understanding the nature of these hazards.
Such data, experts point out, plays a pivotal role in effective bird and wildlife management strategies at airports. Additionally, it informs aircraft and engine manufacturers, enabling them to design more resilient airframe structures and engines capable of withstanding bird strike impacts.
High-quality bird strike reports, when collected, analysed, and submitted to the International Civil Aviation Organisation (ICAO) by member states, provide significant value at national, regional, and global levels.
These reports contribute to safer skies and more robust aviation practices worldwide. Efforts to mitigate challenges posed by bird strikes include enhanced technology for bird detection, improved airport wildlife management practices, and ongoing research into aircraft designs that better withstand bird strikes.
However, the rising prevalence of these incidents underscores the importance of continued innovation and collaboration between aviation authorities, airlines, and environmental stakeholders.

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

Mikail Houari appointed Head of Airbus in Qatar

Airbus has appointed Mikail Houari (**pictured**) as Head of Airbus in Qatar as part of its strategy to strengthen the company's presence and drive growth in Qatar.

This appointment follows his previous role as President of Airbus for Africa & Middle East, a position he held since January 2017.

Houari brings over 30 years of global and regional industry expertise, including nearly two decades at Airbus, where his leadership has been pivotal in driving success across key markets in the Middle East, Africa, and Latin America.

In his new role, Houari will oversee Airbus' operations across all divisions in Qatar, serving as the company's primary representative to customers and key stakeholders, while supporting the country's growth ambitions.

"This appointment reflects Airbus' commitment to delivering advanced, sustainable solutions for Qatar's aviation, helicopter, and space sectors, fostering innovation and collaboration to support the nation's progress," the planemaker said in a statement.

Qatar Airways to resume operations to Malta with four weekly flights from July 2

Qatar Airways will resume operations to Malta with four weekly flights from July 2.

The resumption to Malta will expand Qatar Airways' network to nearly 50 destinations in Europe.

Bookings are now open for travellers seeking the deep blue waters of the Mediterranean Sea. Passengers can plan their summer holidays with Qatar Airways to travel through Hamad International Airport to Malta International Airport and visit the capital city of Valletta - a Unesco World Heritage Site; and Gozo and Comino - the sister islands of Malta.

Similarly, travellers from Malta can benefit from Qatar Airways' extensive network of more than 170 global destinations.

Qatar Airways' proposed partnership with Virgin Australia, pending final regulatory approval, will also boost connectivity.

Qatar Airways Group Chief Executive Officer Badr Mohammed al-Meer said: "Qatar Airways is delighted to announce the resumption of our flights to Malta, which marks a vibrant addition to our robust European network. Qatar and Malta enjoy staunch economic ties, and our operational relaunch to the country only furthers our relationship."

Al-Meer continued: "We are proud to continually offer our global community of adventurers and leisure travellers new destinations to discover and explore. From historic and cultural sites and attractions, sun and sea activities, to cities serving as locations for Hollywood movies and TV shows, Malta offers an exciting blend of memorable experiences for travellers - all set against the backdrop of the azure Mediterranean Sea."

Southwest Air halts corporate hiring, extending cost cuts

Bloomberg
Austin

Southwest Airlines Co is pausing hiring for management, headquarters jobs and outside workers in a new round of cost cuts following a fight with activist shareholder Elliott Investment Management.

The latest changes also include a temporary halt to most internship offers, as well as a suspension of two of the company's popular annual rallies that celebrate accomplishments and lay out plans for the new year, according to an employee memo from chief executive officer Bob Jordan that was seen by Bloomberg News. "The timing simply isn't right when we're striving for cost discipline and focusing on a leaner organization that's closer to the work, closer to the frontline, and closer to our customers," Jordan said. "Every single dollar matters as we continue to fight to return to excellent financial performance."

Southwest already upended parts of its long-term, low-cost business model by deciding to add premium and assigned seats and beginning redeye cross-country flights. The recent battle with Elliott, which argued the airline was slow to respond to changing customer demands and evolving industry trends, also led to a restructuring of the carrier's board and the ouster of Chairman Gary Kelly.

The airline joins other companies that are taking steps to cut costs, including layoffs. On Tuesday, both handbag and accessories brand Vera Bradley Inc. and Jack Daniel's maker Brown-Forman Corp said they were taking steps to save money and increase efficiency.

Southwest is grappling with expensive new labour contracts and a slowdown in Boeing Co's ability to deliver aircraft on schedule, which has increased costs. In November, Southwest offered voluntary buyout packages or extended leaves to airport workers in 18 cities, including Los Angeles and Atlanta.

Qantas Airways delays flights amid falling debris from SpaceX rockets

Bloomberg
Sydney

Qantas Airways Ltd has been forced to delay some flights between Australia and South Africa in recent weeks following a warning from the US government about SpaceX rocket debris re-entering the Earth's atmosphere over the Southern Indian Ocean.

Recent rocket launches have changed their timing at short notice, which in turn has forced Qantas to postpone flights right before departure, Ben Holland, the head of the airline's operations centre, said in a statement on Tuesday. The flight delays have lasted for as long as six hours and have affected journeys between Johannesburg and Sydney.

With the rate of rocket launches set to increase, the US Federal Aviation Administration said in November it plans to update its launch and reentry licensing rule. The agency authorised a record 148 commercial space operations in its latest fiscal year and projected the number could more than double in 2028. Elon Musk's SpaceX expects as many as 400 launches of its new Starship vehicle over the next four years. The company is scheduled to carry out a test flight of the spacecraft this week.

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Flights cannot operate in an area where rocket debris is falling into the atmosphere, and Qantas has avoided the area over the Southern Indian Ocean as advised by the government. SpaceX didn't immediately respond to a request for comment.

"We're in contact with SpaceX to see if they can refine the areas and time windows for the rocket re-entries to minimise future disruption to our passengers on the route," Holland said.