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Trump's U-turns on Powell, China follow dire economic warnings

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US-China deal hopes lift sentiments as QSE edges up; Islamic equities outperform

GECF member and observer countries clock 'record high' LNG exports in March

■ Increase primarily driven by higher exports from Qatar, Nigeria, Malaysia and Algeria

By Pratap John
Business Editor

LNG exports from GECF member and observer countries reached a 'record high' of 18.04mn tonnes in March, driven mainly by higher output from Qatar and three other countries.

In its latest Monthly Gas Market Report, the Gas Exporting Countries Forum said LNG exports from GECF member and observer countries increased last month by 6.3% (1.08mn tonnes) year-on-year.

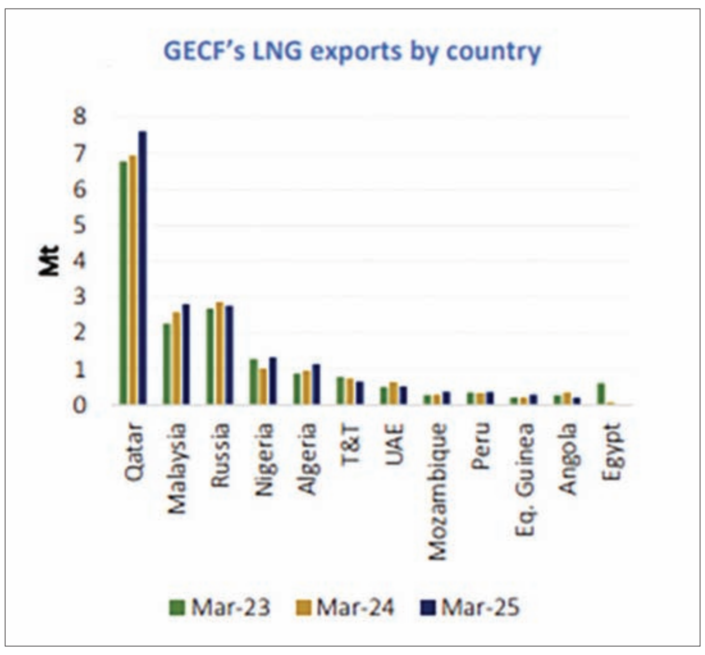
The increase was primarily driven by higher exports from Qatar, Nigeria, Malaysia and Algeria, which offset declines from Angola and the United Arab Emirates, GECF noted.

For the Q1 2025 period, GECF's LNG exports grew by 1.0% (0.52 Mt) y-o-y to 51.25 Mt.

The surge in Qatar's exports was supported by increased output from the Ras Laffan LNG facility, which operated well above its nameplate capacity, enabling higher supply to Asian markets, the report said.

In Nigeria and Malaysia, improved feed gas availability contributed to the rise in exports, with reduced maintenance activity at Malaysia's Bintulu LNG facility also supporting higher output. Meanwhile, increased shipments from Algeria's Arzew and Skikda LNG facilities further boosted the country's export volumes.

In contrast, Angola's LNG exports declined due to lower feed gas availability, while reduced output from the Das Island LNG facility drove down exports from the UAE.



In March, global LNG exports surged by 9.8% (3.50mn tonnes) y-o-y to reach a monthly record of 39.23mn tonnes, marking the highest annual growth rate since June 2021.

The surge in Qatar's exports was supported by increased output from the Ras Laffan LNG facility, which operated well above its nameplate capacity, enabling higher supply to Asian markets

The increase was supported by higher exports from both GECF and non-GECF countries, along with a rise in LNG re-exports, the report noted.

For the period Q1, 2025, global LNG exports rose by 3.9% (4.11mn tonnes) y-o-y, reaching 110.65mn tonnes, driven primarily by higher exports from non-GECF countries.

The share of non-GECF countries in global LNG exports edged up from 52.2% in March 2024 to 52.8% in March this year.

Likewise, the share of LNG re-exports increased from 0.4% to 1.2% over the same period, while the share of GECF Member Countries declined from 47.4% to 46%.

The US, Qatar and Australia were the top three LNG exporters in March, GECF noted.

In March, LNG exports from non-GECF countries surged by 11.1% (2.07mn tonnes) y-o-y to a record high of 20.71mn tonnes, surpassing the 20mn tons level for the first time ever.

The higher LNG exports was driven mainly by the United States, Indonesia and Mexico, which offset weaker LNG exports from Australia.

In the first quarter (Q1), non-GECF LNG exports jumped by 5.5% (3.02mn tonnes) y-o-y, reaching 57.96mn tonnes, the report noted.

Al-Kuwari meets Islamic Development Bank chairman in Washington

HE the Minister of Finance, Ali bin Ahmed al-Kuwari met Dr Muhammad bin Sulaiman al-Jasser, Chairman of Islamic Development Bank (IsDB) Group in Washington, DC on the sidelines of the Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group now being held in the US capital.

Sheikh Faisal meets minister-president of German State of North Rhine Westphalia

HE Minister of Commerce and Industry, Sheikh Faisal bin Thani bin Faisal al-Thani met Minister-President of the German State of North Rhine Westphalia, Hendrik Wust who is currently visiting Qatar, leading an official delegation. During the meeting, the two sides discussed topics of mutual interest aimed at strengthening co-operation between Qatar and Germany, particularly in the areas of trade, investment, and industry. Discussions also covered ways to support and further develop bilateral relations in these sectors. The meeting also addressed the successful economic policies adopted by Qatar to support the private sector, as well as the incentives, legislation, and promising investment opportunities offered by the country to encourage investors and business leaders to invest in the Qatari market.

QFZ holds meeting with German minister to enhance investment ties

Qatar Free Zones Authority (QFZ) CEO Sheikh Mohammed bin Hamad bin Faisal al-Thani held a meeting with Hendrik Wust, the German Minister-President of North Rhine Westphalia, and his accompanying business delegation during their official visit to Qatar.

The meeting was held at the Business Innovation Park in Ras Bufontas Free Zone and aimed at strengthening bilateral relations and enhancing collaboration between Qatar and Germany.

Discussions included encouraging further German investment in Qatar's Free Zones and exploring partnerships to support economic diversification and innovation in Qatar.

Sheikh Mohammed said, "The visit aims to enhance bilateral relations and joint co-operation between Qatar and Germany, which have a long-standing relationship, marked by over 50 years of diplomatic relations and more than six decades of trade co-operation, and Germany is also Qatar's main trade partner.

"There are more than 10 German companies, which have a headquarters or branches in Qatar's free zones, including DHL, DB Shenker, Siemens Energy, and Evonik. QFZ is looking forward to further collaborating with the German side, to provide them with investment incentives and attract more German companies in key strategic sectors to establish their businesses and expand regionally and globally from Qatar's free zones."

The meeting was attended also by German ambassador Lothar Freischlader, a number of senior executive management members from QFZ, Doha Venture Capital (QFZ's development fund), and partners from the Investment Promotion Agency – Qatar (Invest Qatar), and Qatar Investment Authority, who gave presentations followed by a tour at the Business Innovation Park at Ras Bufontas Free Zone.

QFZ CEO Sheikh Mohammed bin Hamad bin Faisal al-Thani and Hendrik Wust, German Minister-President of North Rhine Westphalia, at the Business Innovation Park in Ras Bufontas Free Zone.

Qatar Airways and Philippine Airlines in new strategic partnership

Qatar Airways and Philippine Airlines have launched a strategic partnership to expand service between Doha and Manila, enabling greater connectivity for passengers from the Philippines travelling to Qatar and onwards to other regions of the world. Starting June 16, Philippine Airlines will offer daily non-stop flights using long-range Airbus A330-300 aircraft in a dual-class configuration between Manila and Doha.

Qatar Airways will codeshare on the seven weekly flights operated by Philippine Airlines in the first phase of this strategic co-operation.

The daily flights will depart Manila at 18:50 and arrive in Doha at 23:40. This will provide travellers from the Philippines "perfect connectivity" to over 170 destinations in the Qatar Airways network.

Likewise, eastbound travellers arriving in Doha on Qatar Airways flights can connect smoothly onto Philippine Airlines flights that depart daily from Doha at 01:30 for a convenient afternoon arrival at Manila Ninoy Aquino International Airport at 16:15.

Qatar Airways Chief Commercial Officer Thierry Antinori said: "At Qatar Airways, we continue to explore opportunities that strengthen our connectivity across the world, and our latest partnership with Philippine Airlines is a testament to this commitment.

"This strategic co-operation also aims to deepen the socio-economic ties between the Qatari and Filipino communities. We are proud of the new codeshare flights and look forward to delivering increased benefits to global travellers."

Philippine Airlines President and Chief Operating Officer, Captain Stanley K. Ng., said: "As Philippine Airlines expands its presence across the globe, we are delighted to forge new alliances that enable us to build new connections and give our business and leisure passengers more flexibility and seamless access in flying to their desired destinations."

He continued: "Our decision to offer daily frequency to Doha is enabled by our exciting strategic partnership with Qatar Airways and will help us stimulate tourism, trade flows and business growth in the context of the strong bilateral relationship between the Philippines and Qatar. Our vital Overseas Filipino Workers and their families will also greatly benefit from this new partnership."

The partner airlines will explore further opportunities for long-term collaboration, including collaborating to promote additional destinations in the respective networks of Qatar Airways and Philippine Airlines as well as frequent flyer cooperation.

Turkiye's proactive policy curbed risks: Karahan

Reuters
Ankara/Washington

Turkiye's central bank chief said that monetary policy has been "proactive" and has contained re-dollarisation risks, with retail FX demand limited, after market turmoil last month sparked by the arrest of Istanbul's mayor.

In the text of a presentation made in Washington on Wednesday, Governor Fatih Karahan said policy transmission, or effectiveness, has improved considerably over the last year and that disinflation is continuing.

"Monetary policy has been proactive," the presentation to foreign investors and others said. "Re-dollarisation risks are contained by a decisive tight policy stance." Though he added: "risks are alive" on the disinflation path, and that the economic growth outlook is "highly uncertain" due to global trade tensions.

Karahan and Finance Minister Mehmet Simsek are in Washington this week to attend the annual meetings of the International Monetary Fund and World Bank. They met US Treasury Secretary Scott Bessent on Wednesday.

The central bank hiked its main policy rate to 46% from 42.5% and lifted the overnight lending rate to 49% last Thursday. The move reversed an easing cycle in response to a sharp selloff in lira and other Turkish assets, triggered by the arrest of Istanbul Mayor Ekrem Imamoglu.

Turkish Central Bank Governor Fatih Karahan.

The tight stance will be maintained until price stability is achieved via a sustained inflation decline, Karahan said in the presentation, which the bank published. The bank's decisiveness is strengthening the disinflation process, he added.

When Imamoglu was detained on March 19 the lira crashed by as much as 12% to a new record of 42 to the dollar before recouping most of the losses due largely to central bank steps, including foreign exchange sales.

Imamoglu is now jailed pending trial.

Karahan said the weaker currency's pass-through effect on inflation is modest, reflecting improvement in pricing behaviour, while falling oil prices support disinflation, but the global economic outlook is uncertain.

This pass-through is expected to be around 35-40%, considerably lower than that during the summer of 2023, declining amid lower forex-protected KKM account balances, improved inflation expectations and moderating demand, he said.

The presentation showed that the overnight interest rate has remained at or near 49%, the upper band of the rate corridor, since policy was tightened last week. Bankers say it is expected to remain there for some time to come. Elsewhere in Washington, Simsek said the current account deficit would be less than the 2% of gross domestic product forecast in the government's medium-term programme, and was likely to be around 1.2%, narrowing because of oil prices.

US-China deal hopes lift sentiments as QSE edges up; Islamic equities outperform

By Santhosh V Perumal
Business Reporter

Hopes over a possible US-China deal had a positive effect on the Gulf bourses, including the Qatar Stock Exchange, which yesterday gained more than 23 points.

The foreign institutions' increased buying interests led the 20-stock Qatar Index to gain 0.23% to 10,260.17 points, although it touched an intraday high of 10,311 points.

The Gulf institutions were seen net buyers in the main market, whose year-to-date losses truncated to 2.94%.

About 72% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR1.53bn or 0.25% to QR605.49bn on the back of small cap segments.

The Arab individuals' weakened net profit booking had its influence in the main market, which saw as many as 0.02mn exchange traded funds (sponsored by AlRayan Bank) valued at QR0.04mn change hands across nine deals.

However, the local retail investors were increasingly net sellers in the main bourse, whose trade turnover grew amidst lower volumes.

The Islamic index was outperforming the other indices of the main market, which saw no trading of treasury bills.

The foreign individuals were seen increasingly bearish in the main bourse, which saw no trading of sovereign bonds.

The Total Return Index rose 0.23%, the All Islamic Index by 0.34% and the All Share Index by 0.24% in the main market.

The telecom sector index added 1.53%, insurance (0.69%), banks and financial services (0.66%), consumer goods and services (0.36%) and realty (0.12%); while industrials and transport declined 1.04% and 0.37% respectively. Major gainers in the main bourse included Doha Bank, Ezdan, QIIB, Ooredoo, Qatari Investors Group, Qatar Islamic Bank, Salam International Investment, Al Mahhar Holding and Qatar Insurance.

Nevertheless, Meeza, Inma Holding, Industries Qatar, United Development Company, Dlala, Mazaya Qatar and Nakilat were among the losers in the main market.

In the junior bourse, Techno Q saw its shares depreciate in value.

The foreign institutions' net buying increased substantially to QR74.71mn compared to QR41.6mn on April 23.

The Gulf institutions turned net buyers to the tune of QR7.2mn against net sellers of QR11.02mn the previous day.

The Arab individual investors' net buying declined noticeably to QR0.19mn compared to QR4.13mn on Wednesday.

However, the Qatari individuals' net selling strengthened perceptibly to QR46.3mn against QR43.19mn on April 23.

The domestic institutions were net sellers to the extent of QR21.86mn compared with net buyers of QR16.25mn the previous day.

The foreign individual investors' net profit booking grew noticeably to QR7.2mn against QR0.33mn on Wednesday.

The Gulf retail investors turned net sellers to the tune of QR3.4mn compared with net buyers of QR0.79mn on April 23.

The Arab institutions had no major net exposure against net buyers to the extent of QR0.01mn the previous day.

The main market witnessed a 14% slump in trade volumes to 228.93mn shares but on 23% jump in value to QR645.6mn and 1% in deals to 25,551.

In the venture market, trade volumes were down 12% to 7,299; while value was flat at QR0.02mn amidst 33% decline in transactions to 4.

The foreign institutions' increased buying interests led the 20-stock Qatar Index to gain 0.23% to 10,260.17 points, although it touched an intraday high of 10,311 points

QIASS, AmCham Qatar discuss 'AI with accountability'

Qatar International Academy for Security Studies (QIASS), in collaboration with the American Chamber of Commerce in Qatar (AmCham), held a workshop on artificial intelligence (AI) and accountability.

The workshop "Balancing Innovation & Compliance in AI: A Practical Approach", which was held at the QIASS Lusail campus, brought together leaders from the legal, business, and tech communities, exploring the evolving relationship between innovation and regulation in the age of AI.

As AI rapidly transforms industries and regulatory landscapes across the world, the crucial workshop aims to empower regional stakeholders with pragmatic tools for managing innovation, compliance, and cross-border implementation.

The session featured insights from Mohamed ElBaih, a visiting scholar from The George Washington University Law School, with extensive experience in AI, privacy law, and cybersecurity policy.

"AI is not just a paradigm shift for operations but also the way we think about security, governance, and innovation," said Hesham Elgamiel, Senior Director Quality Control and Business Development at QIASS.

The agenda for the evening included an in-depth exploration of risk management methodologies such as the NIST (National Institute of Standards and Technology) framework, compliance considerations under the EU AI Act, and strategies for building adaptable AI governance frameworks.

The workshop held at the QIASS Lusail campus brought together leaders from the legal, business, and tech communities, exploring the evolving relationship between innovation and regulation in the age of AI.

Through case studies and expert-led discussions, participants explored how businesses can responsibly deploy AI technologies while aligning with both local and international regulatory guidelines.

Xiomara Henriquez, Executive Director from AmCham Qatar, said this dynamic training session is an example of the progressive collaboration that characterises the US-Qatar business relationship.

"At AmCham, we are delighted to join forces with QIASS to empower our business community with the knowledge and tools needed to innovate responsibly and stay at the forefront of global compliance trends," she said.

This workshop builds on QIASS's ever-expanding portfolio of cybersecurity and emerging tech programming, following successful events such as its 'Criminal Cyber Threats to Business' seminar held last December.

With plans to introduce more workshops in 2025, QIASS continues to position itself as a regional leader in strategic training and international security dialogue.

Opec+ to consider another accelerated 'oil output increase for June'

Reuters
London

Several Opec+ members will suggest the group accelerates oil output hikes in June for a second consecutive month, three sources familiar with Opec+ talks told Reuters, as a dispute worsens between members over compliance with production quotas.

Oil prices hit a four-year low in April, dragged down by a US-China trade war and an unexpected decision by Opec+ to increase output by 411,000 barrels per day of oil in May — which was three times more than the group originally planned.

Without specifying how many countries, the three sources said more wanted to increase output by a similar volume to the May increase.

Eight Opec+ countries will meet on May 5 to decide the June output plan.

The Organisation of the Petroleum Exporting Countries and the Saudi Arabian authorities did not immediately respond to Reuters' requests for comment.

Saudi Arabia pushed for the speedier output increase in May after Kazakhstan and Iraq angered the kingdom by producing well above quotas, Opec+ sources have said. A meeting of senior Opec+ministers on April 5 said compliance had to improve.

Kazakhstan, however, said it would prioritise national interests over those of Opec+ when deciding on output levels.

The Kazakh energy minister told Reuters on Wednesday the country was unable to curtail the output of independent oil majors on its territory and would not shut down its own oilfields as that would damage their future production.

"Kazakhstan's statement cements our view that Opec+ may implement another accelerated three-month unwind again in the May meeting and it may continue again in July and through the summer," said Amrita Sen, co-founder of Energy Aspects.

Kazakh oil output fell in the first two weeks of April by 3% from the March average but was still above the Opec+ quota it had pledged to meet after months of overproduction.

Iraq, the group's largest overproducer, also said it will curb output, but has so far increased exports in April month-on-month, data from industry monitor Kpler showed.

Not all of the eight Opec+ countries, which are raising production as part of the winding down of earlier voluntary output cuts, support speedier output increases. Some countries, including Russia, preferred to stick to the earlier approved slower monthly output hikes of 135,000 bpd to avoid a price crash, two separate Opec+ sources said.

Bloomberg QuickTake Q&A

Are US Treasuries really losing safe-haven appeal? What to know

By Alice Atkins and Liz Capo McCormick

Investors typically flock to US Treasury bonds as a haven from gyrations in financial markets. They rallied during the global financial crisis, on 9/11 and even when America's own credit rating was cut.

Yet something unusual happened in early April amid the chaos unleashed by President Donald Trump's imposition of "reciprocal" tariffs. Instead of rising as riskier assets like stocks and cryptocurrencies tumbled, Treasuries followed them lower. Yields on US government bonds saw their biggest weekly surge in over two decades.

The sense that the $29tn Treasuries market is the port of choice in a market storm has been a unique advantage for the world's biggest economy, helping to keep a lid on US borrowing costs over the decades. But lately they've been trading a little more like a risky asset. Former Treasury Secretary Lawrence Summers went so far as to say they were behaving like the debt of an emerging-market country.

This has profound implications for the global financial system. As the world's "risk-free" asset, Treasuries are used as a benchmark to determine the price of everything from stocks to sovereign bonds and mortgage rates, while serving as collateral for trillions of dollars of lending a day.

Here are some of the arguments put forward by investors and market prognosticators to explain April's unusual moves in Treasuries — along with some potential alternative "safe havens."

Tariff-driven inflation

Even after Trump paused most of his reciprocal tariffs for 90 days, those that remain on China were far higher than previously signalled, and separate tariffs remained in place on automobiles, steel, aluminium and various goods from Canada and Mexico, with Trump threatening additional import duties down the line.

There's concern that companies will respond by passing on the cost of those levies to consumers in the form of higher prices. An inflation shock would hit demand for Treasuries as it would eat into the future value of the fixed income payments they provide.

And if a surge in prices is accompanied by falling economic output or zero growth — a situation known as stagflation — monetary policy would enter a new period of uncertainty, with the Federal Reserve forced to choose between supporting growth or suppressing inflation.

Dash for cash

Some investors may have ditched Treasuries along with other US assets to hide out in the ultimate haven: cash. Assets in US money-market funds — which are often viewed as like cash, with the extra upside that they earn money over time — have soared for some time as the Federal Reserve delayed rate cuts, and reached a record in the week through April 2.

Policy uncertainty

Investors demand a discount for investing in countries with a history of turbulent politics and economic instability. That's one reason why Argentine government debt, for example, carried a yield of 13% in mid-April.

Trump's rabbit-out-of-the-hat politics and radical tariff policies are making it hard to know how friendly the country's investing environment will be even a year down the line.

Another driver of money into the US is the perception that the power of its judiciary and other institutions of state will keep government in check and ensure a measure of policy continuity. Trump's willingness to challenge lawyers who stand in his way and bend the Fed and other independent agencies to his will may be undermining some of the confidence in those checks and balances that helped to make the US the world's biggest destination for foreign investment.

Fiscal strains

When the US dollar replaced gold as the world's reserve asset in the mid-1970s, central banks bought Treasuries as a way to place their stores of dollars. They was seen as a cast-iron investment because the federal government has never broken its promise to repay what it borrowed.

The US national debt is now 121% as a share of gross domestic product. Trump entered office betting he could reduce the budget deficit by firing up economic growth with tax cuts, and more recently has suggested revenue from tariffs would help reduce the burden too.

But others worry his policies will only bloat the national debt. Trump is trying to make tax cuts enacted during his first term in office permanent, in addition to the additional tax cuts he has planned. And if tariffs tip the economy into a recession, the government may be pressured to raise spending.

Given that, the spiral up in US Treasury yields could be a sign of "good old capital flight" as foreign investors become less willing to finance the US deficit, according to Mike Riddell, a fixed income portfolio manager at Fidelity International. "The global 'bond vigilantes' are clearly alive and well," he said.

Foreign selling

It's hard to prove in real-time, but often when Treasuries fall there is speculation of foreign selling. This time the suggestion is that it's been happening in response to Trump's tariffs. China and Japan are the biggest holders of US government debt. Official data show both have been reducing their holdings for some time.

The possibility of China's government playing a role is on the more speculative end of the spectrum, given its trading activity is a closely guarded secret. But strategists often point to the country's stockpile of Treasuries as a potential point of leverage over the US — even if aggressive sales could come at a steep cost for China by driving down the value of its foreign reserves.

Hedge fund trades

The basis trade — a popular hedge fund strategy that profits from the difference between cash Treasuries and futures — may be one reason why Treasury yields surged in early April.

The gap in prices is often minuscule, so investors typically use high amounts of leverage to fund the trade. This can cause problems when market turmoil hits and investors rush to rapidly unwind their positions to repay their loans. The risk is that it can create a cascade effect that causes yields to spiral, or even worse, leads the Treasury market to seize up, much like what occurred in the basis trade unwind of 2020.

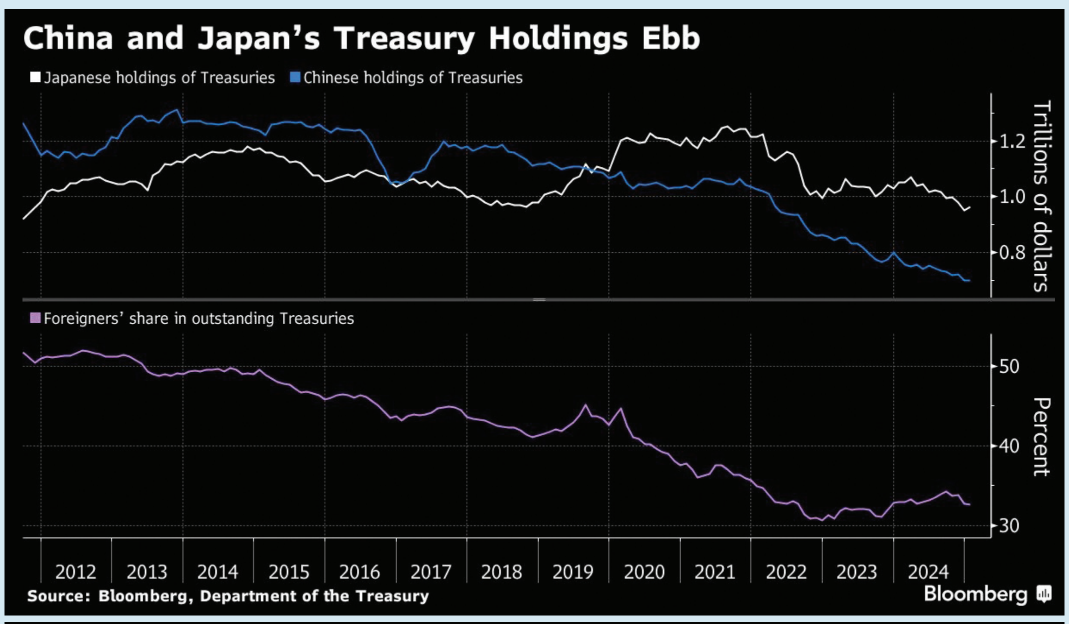
Others point to an abrupt collapse of a popular wager that Treasuries would perform better than interest-rate swaps. Instead, swaps outperformed as banks liquidating bonds to meet clients' liquidity needs then added swap contracts to maintain some exposure to any possible rally in bonds.

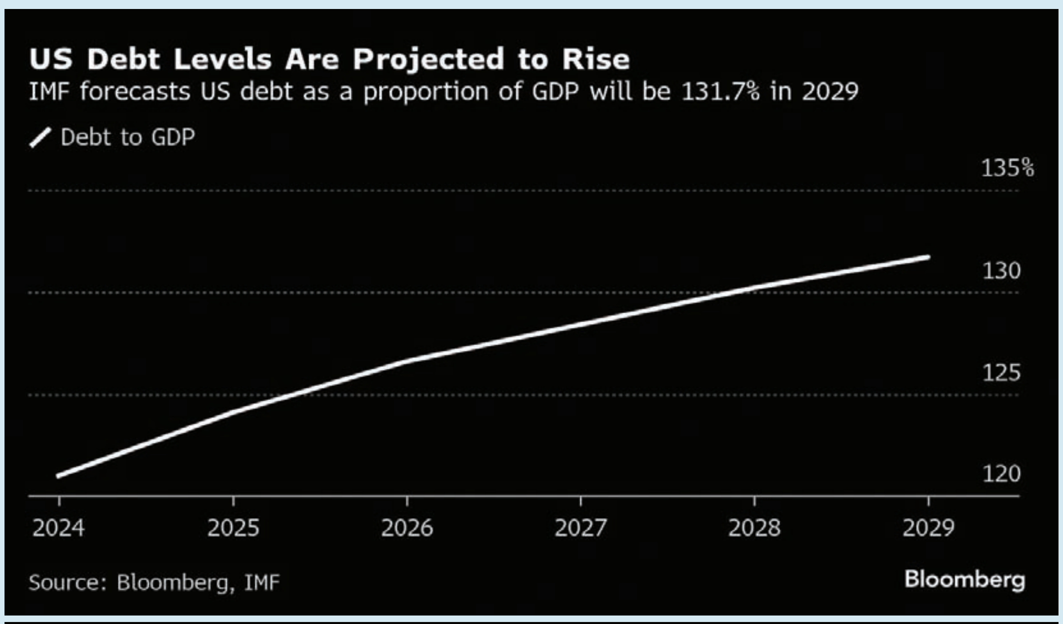
So if not Treasuries, then what?

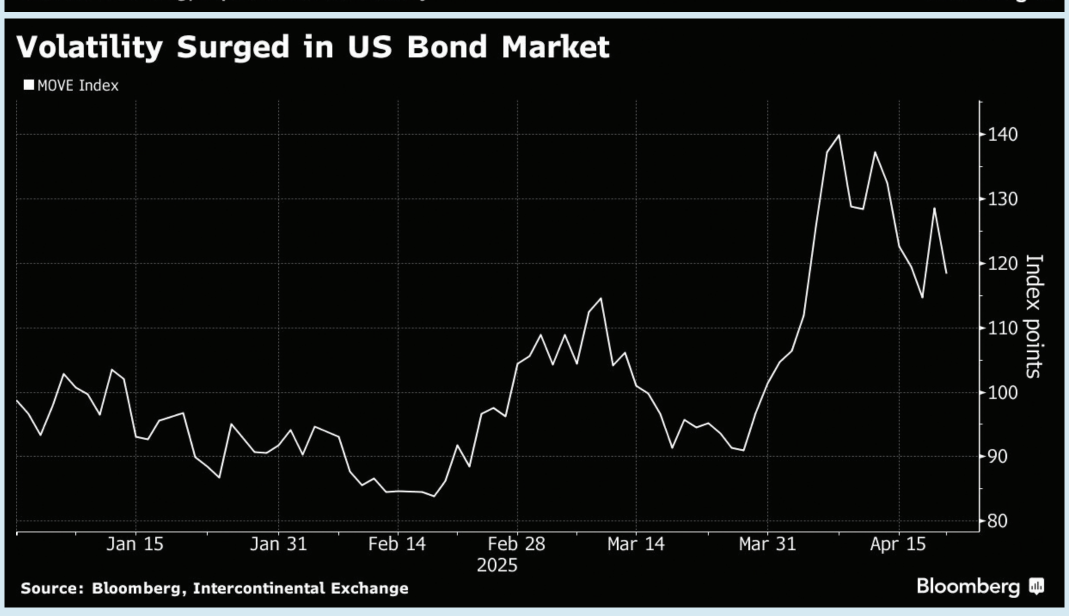
Money managers in Europe and Japan have found there are now credible alternatives to buying US Treasuries, potentially enticing them to shift allocations to places where the policy outlook appears more stable. German bonds were one of the main beneficiaries amid the broader turmoil.

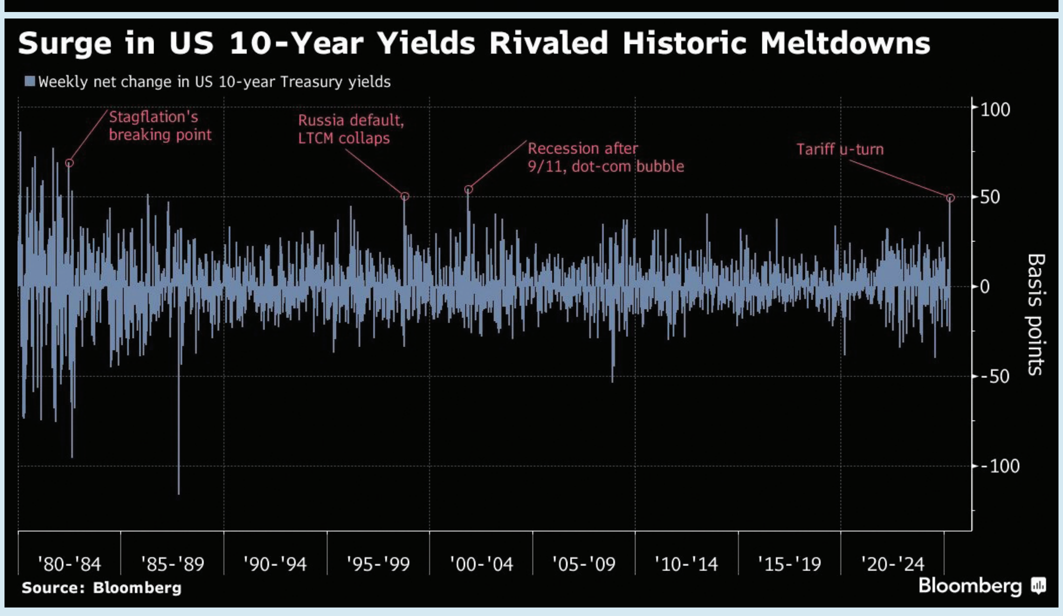
Gold, another classic safe-haven asset, soared to a record high in April, outperforming almost every other major asset class. Central banks have been accumulating the precious metal for some time in a bid to diversify out of dollar assets. However, unlike bonds, investing in gold provides no regular income. It only brings a return if the price has risen by the time its owner sells it.

Ultimately, no alternative investment provides the kind of liquidity and depth of the US Treasury market, and to seriously divest from it would take years, not weeks. Yet some market watchers see April's market moves as potentially the beginning of a global pivot, and a reappraisal of the assets that are fundamental to US economic dominance.









Al-Kuwari meets Ireland's minister of finance

HE the Minister of Finance, Ali bin Ahmed al-Kuwari met Paschal Donohoe, Minister of Finance of the Republic of Ireland in Washington, DC on the sidelines of the Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group now being held in the US capital.

Late 2024 GCC rate cut helps Mena defy regional slowdown in Q1, says MAGNiTT

By Santhosh V Perumal
Business Reporter

The late 2024 interest rate cut across the Gulf Co-operation Council (GCC) countries helped the Middle East and North African (Mena) venture capital ecosystem defy the slowdown in the emerging venture markets (EVMs) in Africa and Southeast Asia in the first quarter (Q1) of 2025, according to MAGNiTT, the leading data and intelligence platform tracking venture capital and private equity.

"Mena's VC ecosystem defied the trend seen in emerging venture market, which reported their lowest level since the fourth quarter or Q4 of 2017," MAGNiTT said in its latest report.

Total venture funding in Mena reached $678mn in Q1-2025, rising 58% year-on-year and surpassing all quarters of 2024, despite a 21% drop in deal count to 133 transactions.

"This rebound was underpinned by late 2024 interest rate cuts across the GCC, which helped improve investor sentiment and liquidity heading into 2025, alongside continued sovereign fund activity and Q1 ecosystem catalysts like LEAP 2025," the report said.

These tailwinds fuelled a sustained rise in non-mega deals (of less than $100mn) funding, which grew for the fourth consecutive quarter (+19% quarter-on-quarter), and a slight mega deal funding growth led by Tabby's $160mn Series E, the region's sole mega deal.

Following a cautious 2024, Q1-2025 opened with improving macro sentiment and a surge of ecosystem activity in the Mena region, it said, adding interest rate cuts totalling 100bps (basis points) by the US Federal Reserve and the GCC central banks toward the end of 2024, alongside high-profile initiatives — such as LEAP 2025, record sovereign fund activity, and new VC fund launches — laid the groundwork for a region-wide rebound.

In comparison to Mena, Southeast Asia saw its funding drop by 65% on an annualised basis and deal count fall to its lowest level in eight years.

Strong LP participation, policy alignment, and improving exit visibility continue to position the region as a bright spot in global VC. However, emerging concerns around the US tariffs could introduce headwinds to VC and M&A (merger and acquisition) momentum in the coming months, it said.

In a sign of a positive recovery, Q1-2025 was the highest funded quarter since Q4 2023, and the Mena region has now recorded five consecutive quarter-on-quarter growth of non-mega deals (less than $100mn), since Q1-2024.

"This growth was primarily driven by a return to Series A and Series B investments against the backdrop of lower interest rates, which have been coming down globally and in the region since September 2024," the report said. The Mena funding rebound in Q1-2025 was supported by a five-fold annual jump in Series A and Series B investments, which grew to $278mn in Q1-2025.

Non-mega deal funding in markets like Saudi Arabia grew by as much as 87% year-on-year, also fuelled by elevated Series A and Series B activity.

M&As peaked in Q1-2025, spurred by improving macro conditions pre-US tariffs announcement. This was evidenced by the 163% annualised growth in M&A activity —the highest ever for a single quarter.

"Despite global headwinds, EVMs continue to present compelling long-term opportunities. Mena, in particular, is uniquely positioned for sustained growth thanks to deep pools of local capital, pro-entrepreneurship policy, and active sovereign support," said Philip Bahoshy, chief executive officer of MAGNiTT.

The new US tariff policies have created uncertainty in both the public and private markets over the last couple of weeks, which can create a challenge for decision-makers who are likely to be in a risk-off mindset, according to him.

"In venture capital, this uncertainty is likely to impact three areas: the deployment of capital from LPs to VCs, VCs' willingness to make decisions in uncertain times, and finally, startups' ability to raise funds," he added.

Trump U-turns on Powell, China follow dire economic warnings

Bloomberg
Washington

Confronted with fresh warnings from financial markets, business leaders and top advisers, President Donald Trump this week eased off on two of his frequent punching bags: Jerome Powell and China.

Trump entered office with a steadfast desire to reshape the global economy. But his resolve has appeared to waver in the face of turmoil in equities and bonds and pleas from powerful executives who fear his sweeping tariffs and interference with the Federal Reserve could set off an economic calamity.

Trump on Tuesday said he had no intention to fire Powell — despite days of criticism over the central bank's policies — and said he believed a deal with Beijing would significantly reduce the sweeping tariffs he's posted on Chinese goods. After a report that the US would be willing to phase in lighter tariffs on Beijing over five years on Wednesday, Trump told reporters that China was "going to do fine" once talks had settled.

Trump's turnabout eased investors' concerns that had fuelled a weeks-long selloff. The S&P 500 rose 1.7%, though it pared an earlier surge that had swelled to as much 3.4%.

Still, the whiplash underscores that markets and the economy are beholden to the whims of the US president unlike ever before — a sign that more turmoil lies ahead.

Trump made his about-face on Tuesday, saying he'd be willing to "substantially" pare back his 145% tariffs on China. He turned down his aggressive rhetoric a day after meeting with executives from Walmart Inc, Home Depot Inc and Target Corp, who said import taxes could disrupt supply chains and raise the prices of goods, according to people familiar with the matter. Warnings about the potential for empty store shelves within weeks seemed to resonate with Trump, one of the people said.

Jerome Powell and Donald Trump in 2017. Confronted with fresh warnings from financial markets, business leaders and top advisers, President Trump this week eased off on two of his frequent punching bags: Jerome Powell and China.

"We're going to have a fair deal with China," Trump told reporters on Wednesday.

Later, Trump mused that he could announce tariff rates for countries, including China, "over the next two to three weeks." At the same time, Trump said the deadline would ultimately depend on whether China engaged.

"Depends on them," Trump said. "We have a situation where we have a very, very great place. It's called the US of America, and it's been ripped off for years and years." The Wall Street Journal reported Wednesday that administration officials are considering plans to slash tariffs on Chinese imports. Under the proposals, the range could come down to between 50% to 65%. One option could be a tiered approach that would see 35% levies on items not considered critical for national security and 100% on those that are, gradually implemented over five years, the paper reported, adding that Trump would need to see action from Beijing to lower US tariffs. Trump is known to change his mind and his posture could shift yet again. And the reported offer — which may have been intended as a trial balloon to entice China back to the table — wouldn't happen without action in the talks, a White House official said.

Treasury Secretary Scott Bessent echoed that caution on Wednesday, saying the US was not looking to unilaterally lower tariffs and that a full trade deal could take two to three years. His remarks pared some of the earlier stock gains.

"There will be no unilateral reduction in tariffs against China. The president has made it clear China needs to make a deal with US of America, and we are optimistic that will happen," White House Press Secretary Karoline Leavitt said on Fox News later Wednesday.

Bessent, when asked who the president consults on tariff and trade policy, said Trump is "constantly soliciting views" from business leaders, citing the visit from the major retailers and revealing that "the three largest German auto companies were in on Friday."

The White House has yet to formally launch tariff talks with the Chinese government, though Trump said "everything's active" when asked whether he was actively engaging with China.

"We're going to be making money with everyone, and everyone's going to be happy," Trump said Wednesday. "We're no longer going to be the country that's ripped off by every country in the world." Trump's efforts to will a China negotiation into reality dovetailed with his public show of support for Powell, at the urging of top advisers and allies.

Bessent recently advised Trump to indicate he was not looking to dismiss Powell and to make clear to markets he believes in an independent central bank, according to a person familiar with the conversations. Commerce Secretary Howard Lutnick has also been a voice of caution on the Fed, the Wall Street Journal reported.

Those conversations preceded Trump on Tuesday telling reporters he had "no intention" of sacking Powell, even though his top economic adviser said days earlier the president was studying the feasibility of removing Powell after attacking his interest-rate decisions and declaring his "termination cannot come fast enough!"

"We do not discuss the president's private conversations that may or may not have happened," Taylor Rogers, a White House spokesperson, said in a statement. "The president has a terrific team of advisers that give him counsel on numerous topics, but at the end of the day, the President is the final decision maker."

Asked if he had spoken to Powell, Trump told reporters on Wednesday that he had not called the Fed chair but suggested he may do so.

"I might call him. I haven't called him, but I believe he's making a mistake by not lowering interest rates," he said.

US opposes 'dangerous' anti-fossil fuel policies at global summit

AFP
London

An international summit on the future of energy security opened in London on Thursday with stark opposition from Washington, which called policies to phase out fossil fuels "harmful and dangerous".

Profound differences emerged at the two-day International Energy Agency (IEA) meeting over the role of renewables in satisfying the world's thirst for energy.

The meeting takes place amid global economic turmoil sparked by wars in Ukraine and the Middle East, and uncertainty surrounding US President Donald Trump's tariffs.

"Some want to regulate every form of energy besides the so-called renewables, completely out of existence... We oppose these harmful and dangerous policies. This is not energy security," Tommy Joyce, US Acting Assistant Secretary of Energy for International Affairs, told the conference.

That contrasted to a more moderate message from IEA executive director Fatih Birol in opening remarks at the summit, co-hosted by the UK. "Every economy has its own pathway for energy. We should understand and respect it," he said. He added also that "oil and gas are key parts of our energy mix, and they will remain as part of the energy mix in years to come." Birol's comments depart from the IEA's own forecast in 2023 that fossil fuel demand would peak before 2030.

Meanwhile, British Energy Secretary Ed Miliband welcomed "low carbon energy" as playing "a critical role in delivering energy security." "As long as energy can be weaponised against us, our countries and our citizens are vulnerable and exposed," he added.

Several energy ministers from European countries attended the gathering, including 120 senior government officials, business leaders, and experts.

The US is only represented by acting deputy secretaries of state, while China, Saudi Arabia and Russia are skipping the event altogether.

European Commission President Ursula von der Leyen was set to later detail Europe's efforts to promote affordable and sustainable energy.

The Organisation of the Petroleum Exporting Countries (Opec) has welcomed the meeting.

"The overall theme is one that Opec supports. It is positive to see the IEA refocusing on energy security after veering away from this fundamental goal," the group said on Wednesday.

"Many net zero policies have endorsed unrealistic timelines or had little regard for energy security, affordability or feasibility," said Opec, which has previously described the phasing out of fossil fuels as a "fantasy".