



High oil prices, vaccine drive seen contributing to GCC economic revival



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CMA CGM looking to serve Qatar's booming maritime sector

By Santhosh V Perumal
Business Reporter

CMA CGM Group, a global leader in shipping and logistics, is well positioned to serve Qatar, whose maritime sector has been growing on a strong footing in view of the country's strong macro economy and the trade linkages with the rest of the world, according to its top official.

This remark came after the group's 15,000-TEU (twenty foot equivalent unit) container ship CMA CGM Apollon recently called on Hamad Port, operated by QTerminals and located south of Doha in Umm Al-Houl area, becoming the largest vessel to call Hamad Port since the beginning of the year.

CMA CGM Apollon is 366m long, 51m wide. The vessel joined the group's fleet earlier in January and is currently on its maiden voyage. After Hamad Port, it will proceed to Dammam and Sohar before heading back to China.

"This is an important milestone for us as Qatar welcomes large vessels, and this ad hoc call reaffirms our group's commitment to support and align with the growing market demand and needs of our customers... We look forward to welcoming more large ships calling Qatari ports soon," Axel Herzhauser, CMA CGM's re-



CMA CGM Apollon making a call on Hamad Port. CMA CGM Group, a global leader in shipping and logistics, is well positioned to serve Qatar, whose maritime sector has been growing on a strong footing in view of the country's strong macro economy and the trade linkages with the rest of the world, according to its top official.

gional director, Middle East Gulf, ISC, Indian Ocean Islands, Southern and Eastern Africa, told *Gulf Times*.

The French shipping major, which has been in the country for more than a decade, has 32 monthly calls with four direct services connecting Hamad Port to Far East, East Med region and Europe and four feeder services, connecting Hamad

Port to main hubs of region, according to its website.

CIMEX 3 direct and reliable weekly service links Far East and Qatar and deploys seven vessels. Qingdao direct call was followed by Central China (Shanghai + Ningbo) and South China base port (Shekou).

CMA CGM Qatar uses four feeder serv-

ices to connect Hamad Port to transshipment hubs Mundra, Nhava Sheva and Sohar, Shuwaikh allowing connection to any major port in the world.

Hamad Port - whose strategic geographical location offers opportunities to create cargo movement towards the upper Gulf, supporting countries such as Kuwait and Iraq, and south towards Oman - saw 117 ship calls in January 2022.

The recent annual Agility Emerging Markets Logistics Index found Qatar top all the Gulf Co-operation Council countries for domestic logistics and is the seventh most competitive of the world's leading emerging markets, a performance driven by its strong business conditions and digital readiness.

With the most advanced fleet of container ships, the CMA CGM is fully ready to meet the requirements of its customers in a constantly growing international trade environment, Herzhauser said.

The CMA CGM delivers end-to-end solutions to customers by relying on two solid pillars, shipping and logistics, which includes its subsidiary CEVA Logistics and the group's air freight division, CMA CGM Air Cargo.

The group serves more than 420 ports around the world on five continents. Backed by a fleet of 545 vessels, the CMA CGM transported nearly 21mm TEU containers in 2020.

Qatar industrial production up 3.7% in December: PSA

By Santhosh V Perumal
Business Reporter

Higher extraction of natural resources as well as enhanced production of food and rubber products led Qatar's industrial production index (IPI) to jump 3.7% year-on-year in December 2021, according to the official data.

The country's IPI saw a 12.5% month-on-month surge in the review period, according to figures released by the Planning and Statistics Authority (PSA).

The PSA introduced IPI, a short-term quantitative index that measures the changes in the volume of production of a selected basket of industrial products over a given period with respect to a base period 2013.

The mining and quarrying index, which has a relative weight of 83.6%, saw a 4.7% increase on a yearly basis owing to a 4.7% expansion in the extraction of crude petroleum and natural gas, while there was a 0.5% decline in other mining and quarrying sectors.

On a monthly basis, the index showed a 15.5% zoom owing to a 15.5% increase in the extraction of crude petroleum and natural gas; even as there was a 5.7% contraction in other mining and quarrying sectors.

The manufacturing index, with a relative weight of 15.2%, was seen declining 0.5% year-on-year in December 2021 on account of a 9.1% decrease in the printing and reproduction of recorded media, 8.1% in the production of refined petroleum products, 2.3% in beverages and 0.7% in basic metals.

Nevertheless, there was a 7.6% expansion in the production of food products, 3.8% in rubber and plastics products, 2.5% in cement and other non-metallic mineral products and 1.3% in chemicals and chemical products.

On a monthly basis, the manufacturing index was up 0.9% in December 2021 owing to a 19.5% jump in printing and reproduction of recorded media, 6.3% in basic metals, 2.3% in cement and other non-metallic mineral products, 2.2% in rubber and plastics products and 1% in chemicals and chemical products.

However, there was a 4.8% contraction in the production of beverages, 3.9% in refined petroleum products and 2.1% in food products.

Electricity, which has a 0.7% weight in the IPI basket, saw its index surge 8.3% year-on-year but shrank 18.1% month-on-month in December 2021.

In the case of water, which has a 0.5% weight, there was a 22.3% and 7.5% decrease on a yearly and monthly basis respectively in December 2021.

Ooredoo CCO tours mass-market retail network in relationship-building exercise

Ooredoo chief commercial officer Sheikh Nasser bin Hamad bin Nasser al-Thani has conducted a tour of the telco's mass-market retailers in a relationship-building exercise.

Sheikh Nasser recently visited Al Watan Centre, a popular market for mobile phones, to gain insight into business performance, trends, and markets, as well as to strengthen relationships between the company and its retailers and better understand Ooredoo's brand positioning within the market.

He also visited a number of Ooredoo's premium dealer outlets, where Ooredoo products and services are sold exclusively.

At all locations, Sheikh Nasser reiterated Ooredoo's commitment to supporting its retailers with state-of-the-art technology, innovation, and solutions to enable them to take the best care of its customers.

Sheikh Nasser said, "We are proud that we have a strong network of quality retailers who support us in supplying the best products and services to our valued customers, and it gave me great pleasure to be able to meet with many of these retailers in order to ensure we build and maintain a robust relationship for our mutual benefit. We look forward to continuing to deliver complete customer satisfaction in partnership with our retailers, and thank them for their unwavering support."



Qatar seen to play 'pivotal role' in GCC, Mideast manufacturing, logistics sectors

By Peter Alagos
Business Reporter

Qatar is expected to emerge as a major player for key industrial sectors in the Gulf Co-operation Council (GCC) and the Middle East this year, according to a Qatari entrepreneur.

Speaking to *Gulf Times* yesterday, Farhan al-Sayed, who is also the president of the Qatar-Indonesia Business Council (QIBC), said not only is the State of Qatar considered "one of the most attractive nations globally," but many countries had been gravitating towards Qatar as an investment destination.

Since it was announced that Qatar will host the 2022 FIFA World Cup, al-Sayed said many countries and international companies have benefited from the multi-billion projects related to the staging of the games - a first in the Middle East.

"Qatar's ability to attract many international partners will play a pivotal role in the GCC region and the Middle East as a business hub in redistribution, manufacturing, logistics, and other key sectors."

"Aside from the state-of-the-



Farhan al-Sayed, Qatar-Indonesia Business Council president.

art Hamad Port, Qatar also has the world-class Hamad International Airport, which provides connectivity to different cargo and passenger destinations worldwide."

Al-Sayed lauded the government for passing new laws and other legal reforms, as well as streamlining policies to make doing business in

the country easy and attract foreign direct investments (FDI).

By raising its liquefied natural gas (LNG) capacity, Qatar's energy sector places a significant contribution to the country's GDP, said al-Sayed, adding that the "economy will grow faster than expected."

"Qatar is definitely witnessing an economic boom this year, assisted by high oil and natural gas prices. Not only is GDP expected to grow this year, but Qatar's population is also on the rise as the country gears up for the World Cup games," al-Sayed pointed out, adding that the hospitality, retail, and tourism sectors, as well as small and medium-sized enterprises, are bracing for the influx of tourists in the run-up to the FIFA World Cup.

"Under the wise leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani, Qatar was able to withstand the challenges of a tough and prolonged pandemic. This has been achieved by having one of the highest standards of healthcare, one of the highest vaccinated populations in the world, uninterrupted supply chain of goods, which kept the markets stocked, complemented by the services and support of Qatar Airways and Hamad Port," he said.

US, UAE push for another \$4bn in climate change farming investment

Reuters
Dubai

The United States and the United Arab Emirates are seeking an additional \$4bn of global investment in an initiative launched last year to make agriculture resilient to climate change and reduce its emissions, a US official said on Sunday.

The two countries launched the Agriculture Innovation Mission for Climate (AIM for Climate) at COP26 climate talks in November, aiming for \$4bn investment from governments and non-government innovation partners between 2021-2025.

AIM now wants \$8bn in climate-smart investment commitments by the November COP27 climate talks in Egypt, US Secretary of Agriculture Thomas Vilsack told Reuters ahead of AIM's first ministerial meeting in Dubai on Monday.

"We believe we actually need to set a higher goal. President Biden believes we should get \$8bn by COP27," Vilsack said.

The initiative is supported by 140 partners who have agreed to increase public and private investment in climate-smart agriculture research and practices.

The initial \$4bn target comprised \$1bn each from the US and UAE governments, \$1.8bn from other governments and \$200mn from non-government partners.

The US Department of Agriculture recently said it would invest \$1bn in pilot projects for climate-smart commodities, promoting farming, ranching and forestry practices that cut emissions.

Vilsack said that initiative could qualify as part of US AIM for Climate targets. "There are a number of different ways those resources could be identified."

The US farming industry is already battling the effects of climate change, including increased drought and flooding.

The UAE, a Gulf oil producer that imports the majority of its food and desalinates seawater for potable water is investing heavily in agricultural and water technologies, and clean energy.

The UAE hosts COP28 climate talks in 2023.

"Agriculture and food systems offer immense opportunities for global climate action," UAE Climate Change Minister Mariam al-Mheiri said in a statement.

FOCUS

Qatar securing future through monetising natural resources, carbon neutrality and rapid shift towards knowledge-based economy

By Dr Tristan Clube

Qatar after the World Cup: One of the paradoxes of the outcome of COP 26 and the recent evolution of global energy markets is that a major hydrocarbon producer, Qatar, will be one of the great beneficiaries.

To many environmentalists this may sound alarming but the country's evolving green ambitions and the technological advances surrounding the LNG supply chain imply that it could potentially have one of the fastest pathways towards net carbon neutrality amongst major commodity producers over the coming decade.

The purpose of this article is to outline how Qatar is securing its future through monetising its natural resources but at the same time managing a journey towards carbon neutrality and most likely, a more rapid transition towards a knowledge-based economy.

We would argue this is not just an exercise in rebranding and 'greenwashing' but a genuine recycling of excess capital towards a faster economic transition in tune with the evolving ESG (Environmental, Social and Governance) demands of the global investment community.

The North Field expansion: Qatar's revenue stream to date has been largely based on 20-25 year LNG contracts with Asian and European utilities. Many of these are now reaching maturity and there was concern, pre-pandemic, that future revenues would be driven entirely by volatile spot prices in a depressed, over-supplied market.

The dearth of investment in major global LNG terraces in recent years and a shift away from gas storage to just-in-time delivery amongst major consumers has now put Qatar in an enviable situation. LNG production from the North Field is set to expand from 77mt/yr to 110mt/yr by 2025 and 126mt/yr by 2027, with virtually no other major fields coming on stream globally during this timeframe.

Existing contracts and future contracts based on new supply are now highly likely to be struck on favourable terms to the producer in order to guarantee security of supply. Two such contracts have recently been signed with Chinese government entities in recent weeks with a duration of 15 years and this has now set a benchmark for future purchasers and the established trend is for even longer term contracts.

Moreover, in the very recent past, despite



evident longer term political risks, US exporters to Chinese customers have signed longer 20 year contracts. The increased production over the next six years implies that Qatar will once again become the world's largest producer and exporter.

Moreover, as long term contract prices are signed on favourable terms, this will secure long dated revenue streams for Qatar Inc to the benefit of future domestic and international investment programmes.

LNG in the wake of COP 26: One of the simplest and fastest routes to net carbon footprint reduction is to shift power generation from coal to gas. Both China and India have now signed up to an accelerated shift from coal fired to gas fired generation and Qatar is well placed to service this transition as well as the growing array of new and previous customers who are re-evaluating their future clean energy transitions. It is widely recognised that the shift to gas fired generation can cut CO2 emissions by as much as 50% and Qatar is increasing this discount through full ownership of the supply chain and reducing emission levels during the production, transportation and generation phases of the cycle.

Despite the projected 60% future increase in LNG export volumes, Qatar is now targeting a 30% reduction in CO2 emissions as a country and 25% across its global supply chain by 2030. Through accurate measurement and improvement of emissions at every point in this supply chain, Qatar is able to negotiate better pricing

while consumers can enjoy the benefits of carbon credits relative to other energy suppliers. Qatar's leadership is now clearly prioritising a faster reduction in emissions as it secures its position as the supplier of choice.

Accelerated net zero target: In its efforts to recalibrate LNG as a 'clean' fuel, Qatar is now investing significantly in carbon sequestration, capture and storage (CCS) technologies across the entire supply chain, essentially 'plugging the system' to reduce emissions. This applies to the new generation of liquefaction storage units across the globe and LNG-fuelled Q Flex vessels of which Qatar has the world's largest fleet, a fleet that will expand in line with the North Field production.

Faring of excess gas will continuously be phased out and carbon capture will enable the development of future income streams through the sale of carbon credits. Given the disproportionate climate warming effects of methane, Qatar will also likely become a leader in recycling methane emissions and is well placed to eventually become a global producer of both blue and green hydrogen offshore and potentially also onshore through its existing LNG clean-energy partners such as Shell.

Currently Qatar captures and stores 2mt/yr of carbon and this will increase to 9mt/yr by the end of the decade, making up perhaps 10% of the current total despite no further emission growth going forward. Expect this number to be revised higher.

Generation of surpluses: In recent years LNG pricing has become more closely linked to oil and has evolved away from the original long term contract market that defined Qatar's initial growth phase. Some reversion way from current spot-oil based pricing now seems highly likely given the divergent market trends driven by demand patterns and market sensitivity towards cleaner hydrocarbon footprints. Based on the initial indicative pricing for LNG contracts and a component of spot pricing, Qatar could well be generating annual revenues well in excess of recent GDP from major consumers in LNG alone. This does not include any legacy oil, downstream products or potential new export revenue sources. LNG extraction margins will be extremely healthy as Qatar will remain the world lowest cost producer by virtue of its geographical and geological setting and its strategic record in timing of the capex investment cycle.

Given that a large part of Qatar's basic infrastructure buildout has now been completed before

the World Cup, the absorptive capacity of the economy in terms of further basic investment will be limited. It would make strategic sense to model a net zero industrial hub across Qatar, thereby enhancing pricing and demand for export products in an evolving global marketplace.

An investment opportunity: In many respects many might view the local capital markets as a 'stranded asset' despite being located in arguably the strongest 'gold-plated' sovereign. This is reflected in somewhat lower valuations relative to regional comparisons and indeed its own past history.

Dividends and pay-outs have been somewhat unduly suppressed during the years of the blockade and pandemic. Recently Fitch put the domestic banking sector on 'negative watch' as domestic loan growth resumed, financed partly from increased offshore borrowing. This is slightly surprising given many of those liabilities related to the build out of World Cup-related infrastructure and self-dependency investments during the blockade will be easily addressed by future projected surpluses.

Furthermore, there will be longer term pressure for the currency to appreciate, with Qatar becoming a significant creditor nation in a global context.

However, rather than focusing on these short term issues one could offer the counter-perspective that Qatar Inc will become so financially strong that invariably many leading entities will all benefit from the next phase of growth. The widespread local ownership of exchange listed companies will once again demand higher dividend pay-outs from rising cash flow and revenue streams.

Looking to the future it also seems highly probable that the economy will strategically replace blue collar with white collar and investment will likely turn towards an entrepreneurial-model based on private sector expansion, during which the capital markets can play a formative role.

Those private sector opportunities could target technologies that accelerate Qatar's own shift towards de-carbonisation and potentially become the first hydrocarbon producer to achieve 'net zero'. The building blocks for this transition are already in place given the evident and impressive recent advances in the industrialisation, transportation, health, cultural and educational infrastructure.

■ Dr Tristan Clube is the Principal of Tethys Advisors Ltd, whose registered office is in London.



TENDER ADVERTISEMENT

Tender No.: 44000052

Tender Title
Operation & Maintenance services for MEP Systems Associated with Road Structures at Lusail City

Brief Description of the Works
The Scope of Services comprises the required Operation & Maintenance services for MEP Systems associated with Road (i.e., Road Tunnels, Vehicular Bridges, Pedestrian Bridges, Flyovers and Underpasses etc.) including emergency management & stakeholders' coordination.

Tender Bond Value
QAR 550,000 (valid for 150 days from Tender Closing Date) in the form of a Bank Guarantee (Cash Payment or Cheque not acceptable)

Bid Closing Date
Tuesday, 22nd March 2022 not later than 12:00 hours local Doha time

Tender Collection Location
Lusail Building, Site Offices, Documents Control Office

Tender Collection Date & Time
From Sunday, 20th February 2022 between 08.30 a.m. to 12.30 p.m. (Except Friday & Saturday)

Tender Fee
A payment of non-refundable tender fee in the amount of Five Thousand Qatari Riyals (QAR 5,000) to be deposited/TT into Qatari Diar Real Estate Investment Co., Bank Account No. 0013-002643-046 (IBAN-QA55 QNBA 0000 0000 0013 0026 4304 6) with QNB. Email a copy of the deposit/TT slip to Finance at arq@qataridiar.com mentioning the tender no., Company's name & attach a copy of CR. Finance dept. shall then email back the receipt to be presented for collection of tender documents.

Required documents in order to collect the Tender Documents are as follows:

- Copy of the Company Incorporation/Commercial Registration (if represented in Qatar).
- Company Authorization letter and ID of the person who will collect the tender document.
- Presentation of the receipt of the tender fee submitted to the Finance Department of Qatari Diar in Lusail Site Office.
- Completed Confidentially Agreement which shall be collected from the above-mentioned office or requested by email (procurementlocal@qataridiar.com).
- Tenderers shall provide a letter endorsed by a first-class bank in Qatar agreeing to furnish a Performance Bank Guarantee in amount of ten (10%) percent of the Initial Contract Price, if awarded the contract.

Minimum requirements to be eligible for obtaining the Tender Documents

- 1) Minimum 5 years of relevant experience and expertise in providing similar Services within Qatar or the GCC.
- 2) The company shall have a valid Commercial Registration in Qatar.

Above may be amended as required per the specific requirements of the tender.
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Lebanon 'zombie banks' downsize to weather financial collapse

AFP
Beirut

Once the economy's crown jewel, Lebanon's banks are shutting branches and laying off employees in droves, resizing to the bleak reality of a crisis they are widely blamed for.

Before the onset in 2019 of a financial collapse deemed one of the world's worst since the 1850s by the World Bank, the small Mediterranean country had an oversized but prosperous banking sector.

The capital Beirut was a booming regional financial hub, attracting savers keen to profit from high interest rates and banking secrecy laws.

But more than two years into the crisis, the reputation of Lebanese lenders has been shredded.

A dizzying currency collapse, coupled with banks imposing strict withdrawal limits and prohibiting transfers abroad, has left ordinary depositors watching on helplessly as their savings evaporate.

And yet bankers stand accused of bypassing those exact same capital controls – stoking the crisis by helping the political elite squirrel billions of dollars overseas.

Their trust destroyed, citizens now keep new income well away from the banks, which in turn are deprived of money they could lend.

"The whole banking system today is made up of zombie banks," said economic analyst Patrick Mardini. "They don't work as banks anymore – they don't give loans, they don't take new deposits."

As a result, the industry has been forced to scale back its operations.

In 2019, Lebanon ranked second in the region for bank branches per 100,000 people, according to the World Bank, and held a total of around \$150bn in deposits.

Deposits by Arab investors and Lebanese expatriates propelled the banking sector to peak at three times the value of national economic output.

But more than 160 branches have closed since the end of 2018, leaving a total of 919 branches operating across the country, according to the Associ-



The picture shows the closed branch of a bank in the Lebanese capital Beirut. A dizzying currency collapse, coupled with banks imposing strict withdrawal limits and prohibiting transfers abroad, has left ordinary depositors watching on helplessly as their savings evaporate.

ation of Banks in Lebanon (ABL). The number of employees has dropped by around 5,900, reducing the sector's workforce to roughly 20,000 late last year.

"Lebanon is an abandoned country," ABL chief Salim Sfeir told AFP, referring to negligence by the nation's authorities.

The association claims the sector has been "forced to adapt to the contraction of the economy," even as others blame the banks for overall economic activity plunging by more than half since 2019.

The Lebanese pound, officially pegged at 1,507 to the greenback since 1997, has lost more than 90% of its value on the black market.

The slide has prompted banks to adopt a plethora of exchange rates for transactions even though the official rate remains unchanged.

Those who hold dollar accounts have mostly had to withdraw cash in Lebanese pounds and at a fraction of the black market rate.

"If we apply international accounting standards, almost all Lebanese banks are insolvent," investment banker Jean Riachi said.

Lebanon's government defaulted on its foreign debt in 2020, stymying the country's hopes of quickly securing new international credit or donor money to stem the crisis.

The ruling elite, beset by internal rifts that have repeatedly left the country without a government, has

yet to agree on an economic recovery plan with international creditors.

Disagreements between the government, the central bank and commercial banks over the scale of financial sector losses have dogged talks with the International Monetary Fund that first started nearly two years ago.

In December, the government of Prime Minister Najib Mikati set financial sector losses at around \$69bn in a crucial step towards advancing IMF talks.

But while the global lender said early this month that efforts to agree on a rescue package have progressed, it made clear more work was needed, especially in terms of "restructuring of the financial sector". The analyst Mardini said bank restructuring proposals have been discussed by several governments.

Central bank chief Riad Salameh has said banks that are unable to lend must "exit the market". But meaningful progress on restructuring has been impeded by a political elite who maintain large shares in some of the main banks, according to Mardini.

For out-of-pocket depositors, the details of any restructuring arrangements are a secondary concern. "I just want to recover my savings," said Hicham, a businessman who asked to use his first name only over privacy concerns. "All the parties concerned must assume their responsibilities."

'Danger zone' for Italian debt the next focus for bond traders

Bloomberg
Rome

A slump in European bond markets is driving up Italy's borrowing costs to the point where traders are wondering how much pain policy makers can take before stepping in to prop up its debt.

Benchmark borrowing rates for Italy, one of the euro area's most indebted nations, hit 2% in the past week for the first time since pandemic-induced market turmoil in 2020. The prospect of reduced stimulus from the European Central Bank means the likes of BlackRock Inc is betting on its bond yields still climbing further.

The selloff has already taken the premium investors demand for holding Italy's so-called BTP debt over Germany's - a key gauge of risk - to about 170 basis points. Above 200 is seen as a warning sign, and above 300 can hit the front pages in Rome. In that range, analysts are speculating the ECB might need to resume buying more bonds.

"We see the 'danger zone' for BTP spreads at around 250 basis points," said Frederik Ducroz, global strategist at Banque Paribas.

"If spreads widening got out of control, then we could imagine the ECB setting up a new backstop facility."

That played out in March 2020, after the Italian spread



jumped above 300 basis points in the wake of ECB President Christine Lagarde saying she was not here to "close spreads." The ECB then reversed course and announced a new pandemic emergency purchase programme. Markets globally are now worried about the risk of new policy mistakes in 2022.

Saxo Bank also points to 250 basis points as a potential danger zone. For ING Group NV strategists it's lower, at about 200 basis points.

"Historical precedence is the best guide to the ECB's pain point," said Eimear Daly, a cur-

rency strategist at Barclays Plc. "We are still far from these levels. However, the market would view a widening of the Italy-bund spread to this degree as a test of the ECB's resolve."

Earlier in the pandemic, the ECB was clear about preserving financing conditions, but its focus has now shifted to easing stimulus to rein in red-hot inflation. Its pandemic bond purchases, of which Italy has been one of the main beneficiaries, are due to end next month.

If it does need to step in, flexible bond reinvestments could be a first line of defence. That

should be sufficient to stabilise the Italian spread over Germany to around 200 basis points, according to BNP Paribas SA strategists including Sumati Semavoine-Jain.

On the plus side for Italy is a rosier financial outlook than in the past. Borrowing costs are still low by historic standards and won't filter through to debt servicing straightaway. The economy is also set to benefit from more than €200bn of European Union Recovery Fund money.

Commerzbank AG's head of interest-rates strategy Michael Leister points out that, even in

the absence of an ECB backstop, European solidarity constitutes a soothing factor for investors and rating agencies alike, as long as Italian politics remains calm. That's currently the case, with former ECB chief Mario Draghi at the helm.

If yields keep rising, that may also fuel interest among foreign buyers. Once hedging costs are taken into account, Japanese investors get an Italian yield of about 1.87%, compared to a hedged yield of about 0.33% for 10-year Treasuries, according to Cosimo Marasciulo, head of investment absolute returns at Amundi SA.

"That's something that might convince global investors to look at that market with interest," he said.

Still, for Italy, its debt burden remains high, at more than 150% of output. In a recent speech, Bank of Italy Governor Ignazio Visco said it will be necessary to rebalance the structure of public accounts gradually and steadily to avoid tensions in the government bond market.

It's not just the spread versus Germany that the ECB will be watching.

According to Deutsche Bank AG's Ioannis Sokos, it'll also be monitoring the pace of widening, since extreme volatility could deter some investors. That matters because price sensitive funds will have to step in to replace the ECB, which has been gobbling up bonds at any price.

QSE MARKET WATCH

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VODAFONE QATAR	1.78	-0.56	1,150,087
UNITED DEVELOPMENT CO	1.66	-0.48	1,652,488
SALAM INTERNATIONAL INVESTME	0.96	0.84	49,286,634
QATAR & OMAN INVESTMENT CO	0.86	-0.12	1,094,044
QATAR NAVIGATION	8.40	-0.79	32,378
QATAR NATIONAL CEMENT CO	6.35	-0.78	54,781
QATAR NATIONAL BANK	20.65	-0.96	571,123
QLM LIFE & MEDICAL INSURANCE	5.15	1.12	56,855
QATAR ISLAMIC INSURANCE GROU	8.80	0.95	571,600
QATAR INDUSTRIAL MANUFACTUR	3.19	-0.65	190,599
QATAR INTERNATIONAL ISLAMIC	10.38	-1.42	460,848
QATARI INVESTORS GROUP	2.22	-2.12	887,878
QATAR ISLAMIC BANK	20.43	-0.29	1,235,530
QATAR GAS TRANSPORT (NAKHLAT)	3.52	0.28	665,482
QATAR GENERAL INSURANCE & RE	1.95	0.00	4,530
QATAR GERMAN CO FOR MEDICAL	2.63	-1.50	2,229,491
QATAR FUEL QSC	19.50	-1.52	42,742
QATAR FIRST BANK	1.79	-0.17	2,018,513
QATAR ELECTRICITY & WATER CO	17.93	-0.33	556,145
QATAR EXCHANGE INDEX ETF	12.44	-0.14	25,000
QATAR CINEMA & FILM DISTRIB	3.68	-0.14	884
AL RAYAN QATAR ETF	2.80	-0.50	7,782
QATAR INSURANCE CO	2.50	-1.07	3,134,137
QATAR ALUMINUM MANUFACTURING	2.08	-0.10	8,128,827
QOOREDOO QPSC	7.60	0.60	847,284
ALJAHARAH HOLDING COMPANY QPS	0.90	-0.11	4,863,208
MAZAYA REAL ESTATE DEVELOPME	0.90	-1.10	5,868,112
MESAIEED PETROCHEMICAL HOLDI	2.74	-0.65	8,095,198
AL MEERA CONSUMER GOODS CO	20.15	-0.49	42,748
MEDICARE GROUP	8.39	-0.13	164,882
MANNAL CORPORATION QPSC	7.93	-4.98	618,852
MASRAF AL RAYAN	4.92	-0.69	2,099,521
AL KHALIJ COMMERCIAL BANK	0.00	0.00	-
INDUSTRIES QATAR	17.85	-0.61	2,633,006
INMA HOLDING COMPANY	4.90	-1.94	1,468,914
INVESTMENT HOLDING GROUP	1.59	4.73	39,436,711
GULF WAREHOUSING COMPANY	4.53	-0.81	452,123
GULF INTERNATIONAL SERVICES	1.72	-3.75	33,220,081
AL FALEH EDUCATION HOLDING	1.51	-0.92	18,122
EZDAN HOLDING GROUP	1.40	-0.07	3,336,800
DOHA INSURANCE CO	1.92	1.10	255,610
DOHA BANK QPSC	2.76	-1.43	2,726,215
DLALA HOLDING	1.42	-1.18	1,453,570
COMMERCIAL BANK PSCQ	6.85	0.51	1,810,125
BARWA REAL ESTATE CO	3.48	-0.63	1,713,401
BALADNA	1.49	-0.67	1,827,210
AL KHALEEJ TAKAFUL GROUP	3.69	-3.03	746,329
AAMAL CO	1.18	0.08	2,433,910
AL AHLI BANK	4.40	0.00	79,531

Qatari students from Science and Technology Governmental school win global recognition at Shell's NXplorers programme

A team of three Qatari students have won a global merit award and are recognized for outstanding performance during the virtual Shell NXplorers annual award ceremony for the academic year 2020-2021. Shell NXplorers is a science, technology, engineering, and mathematics (STEM) programme aimed at equipping the next generation with the tools and skills they need to reimagine the world and create sustainable solutions to real-world issues.



The NXplorers contest receives over 150 nominations worldwide yearly. The Qatar team, named "Alpha Omega", comprises three students currently enrolled in Qatar Science and Technology Secondary School for Boys (QSTSS): Hamad Hassan Al-Mansuori, Hamad Rashid Labda, and Khalid Fahad Hussain. Additionally, Mai Yousif, one of the facilitators from the programme, won the "Special Recognition Bronze Award for Excellence in Facilitation".

A ceremony was held by Qatar Shell to recognize the team and the facilitator for their hard work and absolute determination to inspire and outperform others. Hosted by QSTSS school, the event was attended by Rashid Al-Sulaiti, Deputy General Manager, Abdullah Al-Malki, University Collaboration Manager, and Moza Al-Darwish, Social Investment Adviser.

Mr. Al-Sulaiti honored the students. Then, the students had the chance to share a brief about their winning project idea.

Ms. Fawziya Al-Khater, Assistant Undersecretary for Educational Affairs, stated that she is proud of the achievements made by Qatar School for Science and Technology particularly when it comes to those of the winning students. She also reiterated that Qatar School for Science and Technology has been primarily established to fulfill well-defined goals which are still to be achieved as time unfolds. Evidently, student outstanding performance has been widely acclaimed in international competitions, for their skills and projects. Ms. Fawziya seized this opportunity to extend her appreciation to SHELL QATAR for supporting this promising competition and called on all private sector companies to endeavor diligently to participate in supporting the educational process in a useful and meaningful way, focus on projects that target sustainability in alignment with Qatar National Vision 2030 and to contribute to achieving the MOEHE's strategy."

The team was on the final shortlist of nominees for one of the three top awards in the category "Exceptional NXplorers Project by a Student Team", in acknowledgement of their great work to utilize magnetic forces in reducing soil acidity and increasing land arability. Seeing the creative and sustainable approach, the project is now being considered as a case study that focuses on how to aid farmers in the process of producing higher quality and higher yield crops while using fewer resources and ensuring environmental conservation.

"Shell NXplorers' main objective is to inspire talented young people to be the problem-solvers of today and leaders of tomorrow. We are extremely proud of the 'Alpha Omega' for representing Qatar globally this year. We live in a hectic era of varied challenges, from climate change and sustainability to evolving technologies. We truly believe in creating a future generation that is equipped to pursue and build on their STEM knowledge and skills to make informed decisions for today and tomorrow," said Mr. Al-Hijji.

NXplorers workshops introduce concepts to help students explore real world issues related to water, food, and energy. In addition, the students are empowered with tools used to analyze their chosen issue, explore future scenarios, and brainstorm solutions that could tackle the issue. More importantly, being co-implemented in Qatar by Ibtchar, the country's leading and first incubated practical innovation and turnkey solutions firm, the workshops connect education and application, helping the students gain

a new vision, both inside and outside the classroom, to apply their learnings and make their ideas real.

"I would like to congratulate our young innovators for this international feat," said Einas Mohammed, the Programme Manager at Ibtchar. "Their impressive solution will help Qatar to reduce reliance on imports, thus becoming a more self-sufficient and prosperous economy. Being so distinguished among hundreds of participants from around the world is not an easy thing. This early success will definitely motivate the team to continue to pursue higher levels of innovation in the future, and we will be there to sponsor, empower, and guide them".

Ibtchar works with public schools under MOEHE to hold learning-by-doing workshops for students in the 11-14 age group, with a view to inspiring talented young people to be the problem-solvers and leaders of the future.

Shell NXplorers programme currently operates in 17 countries around the world and has benefited over 35,000 students. It is principally focused on addressing issues surrounding food, water, and energy.

The programme encourages students to appreciate the strong partnership between the educational institutions and industry, linking the students with exceptional peer leaders, instructors, and industry experts who provide positive role models for STEM.



Private equity signals slowdown after almost \$150bn sales bonanza

Bloomberg
New York

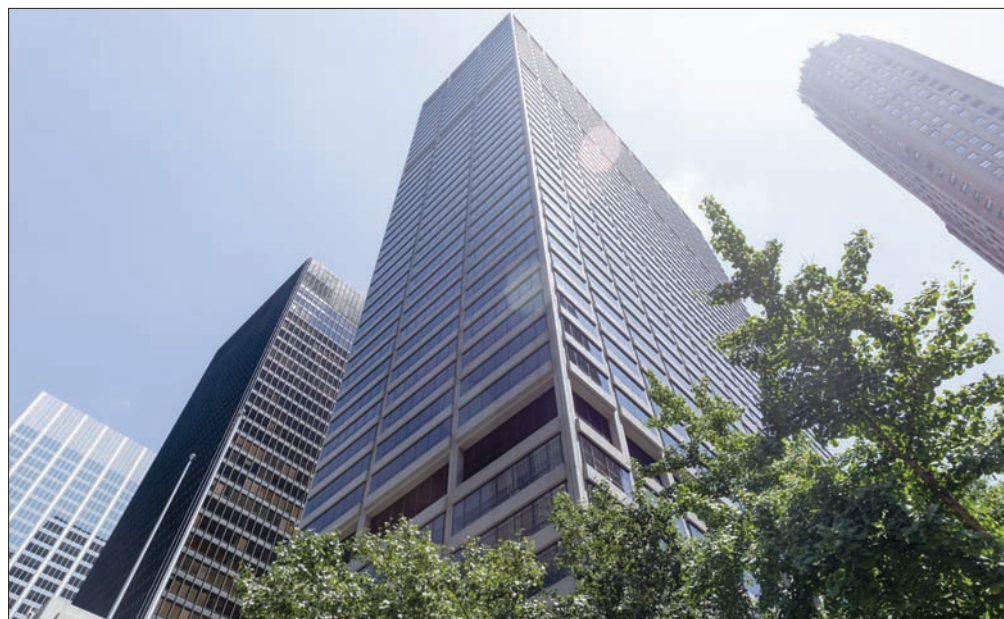
The biggest private equity firms generated record profits from selling investments as markets charged ahead in 2021. It's going to be a tough act to follow.

Blackstone Inc, Apollo Global Management Inc and Carlyle Group Inc collectively sold out of almost \$150bn in deals, double that of the prior year.

The influx of cash pushed earnings to new highs, minted new wealth for dealmakers and added to private equity's allure during Wall Street's war for talent. But the cash surge was a reminder of how the profits from exits are tied to the broader economy. Rising interest rates, inflation and the spectre of Russia's invasion of Ukraine now threaten to slow the torrid pace of realisations – and the industry's fortunes.

"Everything we're watching in public markets could reduce the returns of private equity," said Andrea Auerbach, global head of private investments at Cambridge Associates, an adviser for pensions and endowments. Returns across the industry, while good, "are largely built on unrealised value," she said.

The pursuit of fast-growing companies by private equity firms could leave some vulnerable as rates increase and diminish the value of future cash flows and reduce valuations.



Blackstone Group headquarters in New York. The biggest private equity firms generated record profits from selling investments as markets charged ahead in 2021. Blackstone, Apollo Global Management and Carlyle Group collectively sold out of almost \$150bn in deals, double that of the prior year.

But 2021 was nothing short of an extraordinary year. Blackstone cashed out of a record \$77bn of investments as its corporate private equity and opportunistic real estate holdings rose more than 40%. KKR & Co made a record \$2.1bn from successful exits in 2021, up 84% from the prior year.

Fast forward to 2022, and executives have signalled on earnings calls that this year will be different.

While Apollo Co-President Jim Zelter said the firm expects its "realisation super-cycle to

continue," he also warned that exits could be delayed to later in the year if the current market persists. Apollo's realisations nearly tripled in the year to \$25.7bn, with its private equity arm cashing out of a record \$19.1bn in deals.

Carlyle's chief financial officer Curtis Buser tempered market expectations.

"2021 was a special year" with the cash from exits, he said. But he also warned that such results "will be difficult to replicate."

The company expects net realised performance revenues to

average \$1bn over each of the next several years. Last year, Carlyle generated more than \$1.5bn.

Private equity's ability to exit deals has been hampered by earlier turns in the market. During the previous buyout boom, the industry cashed out of \$238.4bn of deals in 2007, according to Pitchbook data. When the 2008 financial crisis rippled through markets, that figure plunged by more than 50%.

This year, the industry hasn't been immune to the broader market selloff. Shares of the

four largest US alternative asset managers have declined along with S&P 500. KKR and Carlyle have slid 22% and 17%, respectively, this year through Thursday. The S&P is down 8.1% in that period.

Facing the prospect of fewer exits, firms are focused on broadening their businesses to be less vulnerable to the feast-and-famine cycles of private equity.

Since going public, large firms have pushed into businesses that produce steady fees to counter any slowdown and satisfy shareholders, who place a higher premium on recurring cash streams than carried interest. This has transformed a free-wheeling industry of leveraged buyout kingpins into a more buttoned-up business closer to asset management.

Carlyle executives said they're looking for acquisitions to grow the firm's credit business and the group that creates portfolios for investors. Even without such deals, it expects fee-related earnings to increase more than 20% this year. Officials also said the past year's record \$51bn in fundraising would further bolster fee revenue in 2022.

Apollo has tried to position itself for the ups and downs of markets by building a stash of permanent capital – money it locks up for the long haul and which accounts for 59% of assets. It predicted that so-called distributable earnings would rise 62% to \$3.3bn this year, mostly helped by recurring fees.

Luxury sector undaunted by Covid, soaring inflation

AFP
Paris

The pandemic and soaring inflation have done nothing to take the shine off luxury brands, from Louis Vuitton to Gucci and Cartier, as the sector hiked prices to notch up stellar profits.

The world economy began to recover from the pandemic last year but the rebound has been accompanied by rising inflation, with prices for raw materials and energy soaring.

But luxury good makers can respond by hiking their prices and actually look more desirable to their customers.

"Our advantage over many other companies and groups is a certain price flexibility, i.e. we have the means to react to inflation," LVMH chief executive Bernard Arnault told reporters.

UBS analysts estimate that top brands such as Louis Vuitton, which is owned by industry leader LVMH, have raised their prices two-and-a-half times higher than the inflation rate over the past 20 years.

Indeed, "pricing power remains one of the key characteristics of the luxury goods industry," UBS analysts wrote in a research note. LVMH bagged a record €64bn (\$72bn) in sales and €12bn in net profit last year, both exceeding pre-pandemic levels.

The French company also owns a broad range of spirits, perfume, jewellery and cosmetics products. Kering – which owns Gucci and Yves Saint Laurent – also beat its pre-Covid levels to book a net profit of €3.2bn on sales of €17.6bn, the group reported on Thursday.

Kering CEO Francois-Henri Pinault acknowledged that "for every new season, we create a new collection and we review all the price matrices."

Hermes chalked up profits of €2.4bn on sales of €9bn. Hermes chief Axel Dumas said

that his brand, which is enjoying "very strong demand", raises its prices once a year.

"All of our products have the same margins.

We don't play with our prices.

They're linked to manufacturing costs and not to desirability."

He argued that the craftsmanship that goes into making Hermes bags means that they are "perhaps less susceptible to rising energy and raw materials prices than others". Swiss group Richemont, which owns Cartier and runs its business year from April to March, said it booked sales of €5.6bn in the third quarter alone, an increase of 38% over the corresponding period of 2019.

"In certain cases demand exceeds supply and that means consumers will both trade up and likely accept paying higher prices, which again will cushion the margin," said analysts at HSBC.

Rolex, for example, had largely refrained from increasing prices during the last two years.

But at the start of 2022, it raised prices by more than 3.0% on average "and for some models they soared as high as 12%."

Chanel "has also been in the news for its aggressive price hikes of iconic bags during the pandemic and more so recently," the analysts said.

"While not every luxury brand can pull off this double-edged sword, we believe Chanel's pricing actions have probably created a good space for the likes of Louis Vuitton, Hermes and Gucci to raise their price points further."

Back in November, consultancy firm Bain & Company forecast that the luxury goods sector would grow by 6.0-8.0% annually and expand to €360bn-€380bn by 2025. Nevertheless, Flornoy fund manager Arnaud Cadart cautioned that raising prices too sharply could hurt sales.

"There are limits," he said. "A €1,000 bag that costs €1,200 the next day, that can slow down demand."

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Qatar's nominal GDP forecast at \$203.9bn in 2023, says Emirates NBD

By Pratap John
Business Editor

Qatar's nominal GDP has been forecast at \$203.9bn in 2023, according to Emirates NBD, which said both higher oil price assumption and increased production (by those who have the capacity) are positive for GCC sovereigns.

This year, the regional banking group has forecast Qatar's nominal GDP at \$208bn.

Real GDP growth has been forecast at 5.1% this year and 2.8% in 2023.

Qatar's current account as a percentage of the GDP has been forecast at 4.8 this year and 3.8 in 2023.

Budget balance as a percentage of the GDP has been forecast at 2.3 this year and 1.7 in 2023.

In light of developments in the oil market since the start of this year, Emirates NBD has revised both its oil price assumptions and GCC production forecasts higher for 2022.

"We had assumed that Opec+ would restrain production below their target levels to avoid oversupplying markets. However, given the tightness in oil markets in Q1 and the inability of some Opec+ members to deliver their monthly production increases, we now expect GCC oil producers - who have the capacity to do so - to increase production to their baseline levels by the end of next year," Emirates

NBD said. Both the higher oil price assumption and increased production are positive for GCC sovereigns, Emirates NBD said and noted "improving budget balances and resulting in higher headline GDP growth estimates" for this year.

However, Emirates NBD retains its view that governments in the region are unlikely to boost general spending as a result of the expected oil windfall, and will remain committed to diversifying both their budgets and their real economies away from oil over the coming years.

Bahrain has pushed ahead with a doubling of its VAT rate this year to 10% while the UAE has announced a new corporate tax which will come into effect from mid-2023.

Consequently, Emirates NBD does not expect higher oil revenues to feed through to significantly faster non-oil sector growth in the GCC.

While there will be additional money for investment in key strategic sectors, mainly through sovereign investment funds, higher petrol prices are likely to weigh on household consumption.

"A faster pace of monetary tightening in the US relative to our expectations at the start of this year is also likely to be a headwind to growth in the non-oil sectors of the GCC economies. As a result, we have kept our non-oil growth forecasts in the GCC largely unchanged, even as oil and gas GDP forecasts are revised sharply higher," Emirates NBD added.

Qatar's IMUVI up 1.05% quarter-on-quarter during Q4, 2021

Qatar's Import Unit Value Index (IMUVI) increased by 1.05% quarter-on-quarter during the fourth quarter (Q4) of 2021, even as it was down 0.03% on a yearly basis, according to the Planning and Statistics Authority (PSA). IMUVI contains ten main groups classified on the basis of the Standard International Trade Classification (SITC). On a yearly basis, the IMUVI of mineral fuels, lubricants and related products surged 4.02%, machinery and transport equipment by 2.18%, beverages and tobacco by 1.93%, miscellaneous manufactured products by 1.31% and manufactured products by 0.35%. Nevertheless, the IMUVI of crude

materials, inedible (except fuels) shrank 2.51%, food and live animals by 0.81% and chemicals and related products by 0.52%. On a yearly basis, the IMUVI of commodities not classified elsewhere in SITC plummeted 3.83% during Q4, 2021, food and live animals 3.73%, manufactured products 3.34%, crude materials 2.12%, chemicals and related products 1.24%, animal and vegetable oils, fats and waxes 1% and miscellaneous manufactured articles 0.42%. However, there was a 2.41% increase in the IMUVI of machinery and transport equipment, 2.22% in mineral fuels, lubricants and related materials and 0.3% in beverages and tobacco.

QSE settles below 12,700 points despite domestic funds' buying interests

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday opened the week weak despite strong buying interests from the domestic funds.

Notwithstanding the demand for the telecom equities, the 20-stock Qatar Index settled 67 points or 0.53% lower at 12,668.14 points, although it touched an intraday high of 12,740 points. The Islamic index was seen gaining slower than the other indices in the market, whose year-to-date gains were at 8.97%.

More than 74% of the traded constituents were in the red in the bourse, whose capitalisation saw more than QR4bn or 0.59% decrease to QR719bn, mainly on the back of mid and small cap segments.

The local retail investors were seen net buyers, albeit at lower levels, in the market, where the industrials and consumer goods sectors together accounted for about 79% of the trading volume.

The foreign funds continued to be net buyers but with lesser intensity in the bourse, which saw a total of 32,782 exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR333,119 changed hands across 12 deals.

The foreign retail investors were seen net profit takers in the market, which saw no trading of sovereign bonds.

Total trade turnover and volumes were on the decline in the bourse, which saw no trading of treasury bills.

The Total Return Index shed 0.53% to 25,173.86 points, All Share Index by 0.61% to 3,978.36 points and Al Rayan Islamic Index (Price) by 0.52% to 2,824.9 points. The consumer goods and services sector index declined 0.89%, banks and financial services (0.67%), industrials (0.59%), insurance (0.59%), real estate (0.52%) and transport (0.2%); while telecom gained 0.24%.

Major losers in the main market included Mannai Corporation, Gulf International Services, Al Khaleej Takaful, Qatari Investors Group, Inma Holding, Doha Bank, QIB, Qatari German Medical Devices, Woqod, Qatar Insurance, Mazaya Qatar and Gulf Warehousing. In the venture market, Al Faleh Educational Holding saw its shares depreciate in value.

Nevertheless, Investment Holding Group, Zad Holding, QLM, Doha Insurance and Qatar Islamic Insurance were among the gainers in the main market. In

the junior bourse, Mekdam Holding saw its shares appreciate in value.

The Gulf funds turned net sellers to the tune of QR16.26mn compared with net buyers of QR15.31mn on February 17.

The foreign individuals were net sellers to the extent of QR13.48mn against net buyers of QR3.53mn last Thursday.

The foreign institutions' net buying fell significantly to QR1.96mn compared to QR175.48mn the previous day.

The Arab individuals' net buying declined noticeably to QR1.73mn against QR3.76mn on February 17.

However, the domestic funds turned net buyers to the tune of QR24.34mn compared with net sellers of QR63.46mn last Thursday.

Qatari individuals were net buyers to the extent of QR14.39mn against net profit takers of QR13.89mn the previous trading day. The Gulf individuals' net buying strengthened marginally to QR0.27mn compared to QR0.17mn on February 17.

The Arab institutions had no major net exposure against net buyers of QR0.09mn last Thursday.

Total trade volume in the main market fell 28% to 190.91mn shares, value by 49% to QR434.04mn and transactions by 38% to 8,790.

The transport sector reported 80% plunge in trade volume to 1.15mn equities, 80% in value to QR4.65mn and 78% in deals to 129.

The banks and financial services sector's volume plummeted 61% to 19.88mn stocks, value by 79% to QR90.81mn and transactions by 54% to 2,612.

There was 57% shrinkage in the telecom sector's volume to 2mn shares, 44% in value to QR8.52mn and 47% in deals to 501. The real estate sector's trade volume tanked 51% to 13.57mn equities, value by 55% to QR18.7mn and transactions by 36% to 651.

The market witnessed 27% contraction in the industrials sector's trade volume to 95.64mn stocks, 15% in value to QR222.12mn and 19% in deals to 3,481.

However, the insurance sector's trade volume soared 31% to 4.77mn shares, value by 45% to QR16.47mn and transactions by 16% to 331.

The consumer goods and services sector reported 28% surge in trade volume to 54.9mn equities but on 2% dip in value to QR72.77mn and 26% in deals to 1,085.

In the venture market, volumes more than doubled to 3.09mn stocks and value more than doubled to QR30.4mn on 51.71% increase in transactions to 977.

High oil prices, vaccine drive contribute to GCC economic revival, says industry expert

Growth forecasts on GCC economies have taken off due to effective vaccination drives and high oil prices, an industry expert has said during a virtual client conference hosted recently by Doha Bank.

Under the theme '2022 - The Year Ahead of Us', Fahd Iqbal, head of Middle East Research at Credit Suisse, stated that fiscal balances are also expected to improve and that the GCC monetary environment "remains loose with lending activity health and improving."

He said, "The real interest rates continue to contract. The inflation in GCC is picking up and dependence of food imports is a risk. The GCC has continued to strongly outperform EMs. The valuations are no longer cheap. Foreign inflows are robust but mostly passive."

"In Qatar, long-term Capex is the key; carbon prices are important for equities. In Saudi Arabia, the Shareek programme bodes positively, and significant growth potential in Capex spending."

In the UAE, Dubai is cementing its position as a regional hub, enjoying a strong post-Covid recovery and Abu Dhabi is ramping up oil production capacity."

Mark Matthews, head of research for Asia at Julius Baer, said the Bank of America Fund Survey indicated that hawkish central bank rate hikes, inflation, and asset bubbles are the biggest perceived risks.

"The market looks for 6.4 hikes of 25 basis points to the Fed Funds rate this year, which would take it to 1.85%. Covid is still the chief reason, directly or indirectly, for the rise in inflation. In the US, cases are down 70% from their peak in mid-January and falling in 49 out of 50 states."

"In England, Covid's 7-day case



Doha Bank CEO Dr R Seetharaman is joined by a panel of experts during a recently held virtual forum.

fatality rate is currently approximately similar to the average range for the seasonal flu, of one death in 150 cases.

The inflow of immigrants into the US halted for almost two years, and there are 2mn fewer working-age immigrants than there would be if the trend had continued," Matthews said.

He added: "Commodities prices, which rose 27% last year, are up another 10% year-to-date. Energy is a third of the index. Non-profitable tech stocks are back at pre-pandemic levels relative to NASDAQ."

"Bank of America Fund survey

positioning versus an average of last 10 years indicate investors remain cyclical (i.e. banks, materials, commodities) relative to history but have increased defensiveness (i.e. cash), while at the same time very underweight assets that are to interest rate hikes (i.e. bonds, tech, emerging markets)."

Doha Bank CEO Dr R Seetharaman said, "According to IMF January 2022, global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Advanced economies growth is expected to moderate from 5% in 2021 to 3.9% in 2022."

"Emerging economies growth is

expected to moderate from 6.5% in 2021 to 4.8% in 2022. The emergence of new Covid-19 variants could prolong the pandemic and induce renewed economic disruptions."

He added: "Moreover, supply chain disruptions, energy price volatility, and localised wage pressures mean uncertainty around inflation and policy paths is high. US Fed expected to begin monetary tightening in March 2022."

Bank of England already commenced its monetary tightening," Gudni Stiholt, chief treasury and investments officer, Doha Bank, delivered the introduction during the event.



Surging US share buybacks offer support to sputtering market

Bloomberg
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US companies are stepping up share buybacks, supporting a struggling stock market in the face of mounting geopolitical tension and fears that earnings growth will wane once the Federal Reserve raises interest rates.

The 10 biggest repurchases for S&P 500 Index companies last quarter totalled \$86 billion, up almost 30% from a year earlier, led by Apple Inc, Meta Platforms Inc and Google parent Alphabet Inc, data compiled by Bloomberg show. The list isn't complete, with nearly 20% of index members scheduled to report data in the coming weeks.

Buybacks are surging as companies tap cash hoards amassed during the pandemic. While some investors argue the funds are better spent on the businesses, many cheer the efforts to boost per-share earnings and potentially stock prices. The trend is expected to continue in 2022, providing a market tailwind with stocks sputtering below

all-time highs. "Buybacks are back," said Josh Jamner, an investment-strategy analyst at ClearBridge Investments. "In this period of market volatility, companies do have dry powder that they should be able to deploy."

Many companies suspended dividends and buybacks during the pandemic to bolster balance sheets, and then seized on historically low interest rates to borrow and boost reserves. Now they're using that cash to appease shareholders, who are pressuring executives to improve their stock prices. The S&P 500 has lost 8.8% to start 2022.

Most of last quarter's buybacks were concentrated in a small group of companies. The technology and communication services sectors, which typically have the biggest cash flows, are leading the way. Major banks, which ratcheted up repurchases in the last year, will likely join the top spenders when they publish their numbers in the coming weeks.

S&P 500 firms are expected to have bought back at least \$265bn in stock in the fourth quarter. That exceeds the third quarter's all-time high of about

\$235bn, according to data from S&P Dow Jones Indices, which uses a different methodology than Bloomberg.

"Buybacks are important since they're adding support for the market," said Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. "It still looks like it'll be another strong year for buybacks, particularly in the first quarter."

All told, buybacks may exceed \$870bn for 2021, according to Silverblatt's data. That would eclipse the record of \$806bn from three years earlier, when companies used repatriated funds from the federal tax overhaul.

While this is helping stocks, the impact may be diminished because high valuations mean the purchases are hoovering up fewer shares, Silverblatt says. In addition, the expenditures aren't necessarily so large when measured against the companies' earnings and market values, he says.

Still, buybacks show no sign of slowing. Walmart just announced plans to spend at least \$10bn on repurchases in fiscal 2023, while Twitter unveiled a \$4bn programme and Exxon Mobil said it will accelerate a \$10bn plan.