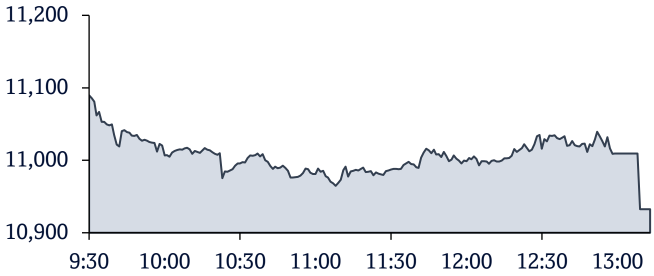
Daily Market Report

Wednesday, 01 February

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.7% to close at 10,932.3. Losses were led by the Real Estate and Transportation indices, falling 2.3% and 2.2%, respectively. Top losers were Masraf Al Rayan and United Development Company, falling 5.5% and 4.0%, respectively. Among the top gainers, Qatar Islamic Insurance Company gained 1.8%, while Medicare Group was up 0.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 10,792.9. Losses were led by the Telecommunication Services and Diversified Financials indices, falling 1.4% and 1.2%, respectively. Middle East Paper Co. declined 4.7%, while Abdulmohsen Alhokair Group for Tourism and Development was down 3.9%.

Dubai: The DFM Index fell marginally to close at 3,303.3. The Consumer Staples index declined 1.0%, while the Consumer Discretionary index fell 0.4%. Takaful Emarat declined 10.0%, while Al Salam Sudan was down 4.7%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 9,736.1. The Basic Materials index rose 1.8%, while the Real Estate index gained 0.5%. Foodco National Foodstuff rose 13.7%, while Aram Group was up 7.4%.

Kuwait: The Kuwait All Share Index fell 0.1% to close at 7,277.3. The Telecommunications index declined 1.8%, while the Consumer Staples index fell 0.4%. The Energy House Holding Company declined 9.1%, while Wethaq Takaful Insurance Company was down 5.0%.

Oman: The MSM 30 Index fell 1.0% to close at 4,703.4. Losses were led by the Financial and Services indices, falling 1.0% and 0.6%, respectively. Phoenix Power Company declined 5.3%, while National Bank of Oman was down 5.2%.

Bahrain: The BHB Index fell 0.1% to close at 1,928.2. The Materials index declined 0.8%, while other indices end flat or in green. Aluminum Bahrain declined 0.8%.

Market Indicators	31 Jan 23	30 Jan 23	%Chg.
Value Traded (QR mn)	601.4	635.3	(5.3)
Exch. Market Cap. (QR mn)	619,947.4	630,900.0	(1.7)
Volume (mn)	134.5	165.5	(18.7)
Number of Transactions	19,485	17,155	13.6
Companies Traded	47	47	0.0
Market Breadth	8:33	15:29	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,392.89	(1.7)	(1.6)	2.4	11.9
All Share Index	3,510.86	(1.4)	(2.6)	1.3	123.4
Banks	4,489.92	(2.1)	(4.6)	(0.3)	12.6
Industrials	4,048.37	(0.4)	0.2	7.1	11.0
Transportation	4,272.19	(2.2)	(2.0)	(1.5)	13.6
Real Estate	1,512.46	(2.3)	(2.7)	(3.0)	16.1
Insurance	2,087.07	(1.6)	(2.0)	(4.5)	14.1
Telecoms	1,316.87	(1.2)	(0.6)	(0.1)	11.7
Consumer Goods and Services	7,828.05	(0.0)	(0.8)	(1.1)	21.4
Al Rayan Islamic Index	4,629.35	(1.8)	(2.0)	0.8	8.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Abu Dhabi Islamic Bank	Abu Dhabi	9.42	5.7	7,857.7	3.4
Fertiglobe PLC	Abu Dhabi	4.00	3.6	6,763.1	(5.4)
Dubai Electricity & Water Authority	Dubai	2.37	1.3	2,858.7	2.2
Agility Public Warehousing	Kuwait	0.59	1.2	6,363.0	(17.9)
ADNOC Drilling Co.	Abu Dhabi	3.39	1.2	5,133.2	13.8

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Masraf Al Rayan	Qatar	2.73	(5.5)	34,655.7	(13.9)
National Bank of Oman	Oman	0.27	(5.2)	175.5	(5.2)
Mesaieed Petro. Holding	Qatar	2.15	(3.3)	4,549.1	1.1
Kuwait Telecommunications	Kuwait	700.00	(3.2)	3,749.0	19.7
Qatar Int. Islamic Bank	Qatar	10.31	(3.1)	2,285.2	(0.9)

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/ losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Islamic Insurance Company	8.65	1.8	109.4	(0.6)
Medicare Group	6.20	0.8	429.6	(0.1)
Industries Qatar	14.05	0.7	5,914.4	9.7
Doha Bank	1.94	0.5	8,923.0	(0.9)
Damaan Islamic Insurance Company	4.27	0.5	103.8	0.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	2.73	(5.5)	34,655.7	(13.9)
United Development Company	1.21	(4.0)	2,849.3	(6.8)
Qatar National Cement Company	5.10	(3.8)	318.9	5.4
Qatar Navigation	9.50	(3.3)	391.7	(6.4)
Mesaieed Petrochemical Holding	2.15	(3.3)	4,549.1	1.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	2.73	(5.5)	34,655.7	(13.9)
Qatar Aluminum Manufacturing Co.	1.82	0.2	10,409.5	19.4
Doha Bank	1.94	0.5	8,923.0	(0.9)
Estithmar Holding	1.68	(2.5)	7,971.4	(6.9)
QNB Group	18.00	(3.0)	7,322.2	0.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.00	(3.0)	132,069.4	0.0
Masraf Al Rayan	2.73	(5.5)	96,666.3	(13.9)
Industries Qatar	14.05	0.7	82,973.3	9.7
Qatar Islamic Bank	19.67	(2.1)	51,186.6	6.0
Qatar International Islamic Bank	10.31	(3.1)	23,870.5	(0.9)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,932.29	(1.7)	(1.6)	2.4	2.4	164.25	169,369.6	11.9	1.4	4.2
Dubai	3,303.27	(0.0)	(1.6)	(1.0)	(1.0)	76.53	157,339.8	19.7	2.2	1.7
Abu Dhabi	9,736.10	0.1	(1.9)	(3.9)	(3.9)	442.16	663,605.3	17.5	2.7	2.1
Saudi Arabia	10,792.85	(0.2)	(0.3)	3.0	3.0	1,223.65	2,704,749.5	16.1	2.1	2.7
Kuwait	7,277.29	(0.1)	(0.5)	(0.2)	(0.2)	146.27	153,074.1	19.7	1.6	3.4
Oman	4,703.38	(1.0)	(1.0)	(3.2)	(3.2)	4.24	21,762.8	13.5	1.1	3.6
Bahrain	1,928.24	(0.1)	0.0	1.7	1.7	2.27	66,320.1	5.3	0.7	5.5

*Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any)*

Qatar Market Commentary

- The QE Index declined 1.7% to close at 10,932.3. The Real Estate and Transportation indices led the losses. The index fell on the back of selling pressure from Foreign shareholders despite buying support from Qatari, GCC and Arab shareholders.
- Masraf Al Rayan and United Development Company were the top losers, falling 5.5% and 4.0%, respectively. Among the top gainers, Qatar Islamic Insurance Company gained 1.8%, while Medicare Group was up 0.8%.
- Volume of shares traded on Tuesday fell by 18.7% to 134.5mn from 165.5mn on Monday. However, as compared to the 30-day moving average of 120.8mn, volume for the day was 11.4% higher. Masraf Al Rayan and Qatar Aluminum Manufacturing Co. were the most active stocks, contributing 25.8% and 7.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	25.32%	19.08%	37,493,328.9
Qatari Institutions	23.97%	26.20%	(13,418,345.1)
Qatari	**49.28%**	**45.28%**	**24,074,983.7**
GCC Individuals	0.35%	0.34%	59,697.7
GCC Institutions	4.36%	3.10%	7,597,321.9
GCC	**4.71%**	**3.43%**	**7,657,019.5**
Arab Individuals	7.51%	6.71%	4,797,751.0
Arab Institutions	0.00%	0.00%	-
Arab	**7.51%**	**6.71%**	**4,797,751.0**
Foreigners Individuals	2.41%	1.68%	4,379,072.4
Foreigners Institutions	36.09%	42.89%	(40,908,826.7)
Foreigners	**38.50%**	**44.57%**	**(36,529,754.2)**

*Source: Qatar Stock Exchange (*as a % of traded value)*

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2022	% Change YoY	Operating Profit (mn) 4Q2022	% Change YoY	Net Profit (mn) 4Q2022	% Change YoY
Jarir Marketing Co.	Saudi Arabia	SR	9,391.70	3.3%	1,018.5	-4.0%	969.8	-2.2%
Edarat Communication and Information Technology Co.	Saudi Arabia	SR	58.89	57.7%	14.2	89.2%	12.6	94.5%
Agthia Group	Abu Dhabi	AED	4,067.39	32.6%	NA	NA	246.8	14.2%
Dubai Financial Market	Dubai	AED	200.49	19.3%	–	–	147.1	41.7%

*Source: Company data: DFM, ADX, MSM, TASI, BHB. (#Values in Thousands, *Financial for 4Q2022)*

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01-31	US	Bureau of Labor Statistics	Employment Cost Index	4Q	1.00%	1.10%	1.20%
01-31	US	Federal Housing Finance Agency	FHFA House Price Index MoM	Nov	-0.10%	-0.50%	0.00%
01-31	US	Conference Board	Conf. Board Consumer Confidence	Jan	107.10	109.00	109.00
01-31	UK	Bank of England	Net Consumer Credit	Dec	0.5b	1.1b	1.5b
01-31	EU	Eurostat	GDP SA QoQ	4Q A	0.10%	-0.10%	0.30%
01-31	EU	Eurostat	GDP SA YoY	4Q A	1.90%	1.70%	2.30%
01-31	Germany	German Federal Statistical Office	Import Price Index MoM	Dec	-1.60%	-2.50%	-4.50%
01-31	Germany	German Federal Statistical Office	Import Price Index YoY	Dec	12.60%	11.50%	14.50%
01-31	Germany	German Federal Statistical Office	Retail Sales MoM	Dec	-5.30%	-0.20%	1.90%
01-31	Germany	German Federal Statistical Office	Retail Sales NSA YoY	Dec	-6.60%	-2.60%	-4.90%
01-31	Germany	Deutsche Bundesbank	Unemployment Change (000's)	Jan	-22.0k	5.0k	-13.0k
01-31	Germany	Deutsche Bundesbank	Unemployment Claims Rate SA	Jan	5.50%	5.50%	5.50%
01-31	China	China Federation of Logistics	Manufacturing PMI	Jan	50.10	50.10	47.00
01-31	China	China Federation of Logistics	Non-manufacturing PMI	Jan	54.40	52.00	41.60
01-31	China	National Bureau of Statistics	Industrial Profits YTD YoY	Dec	-4.00%	NA	-3.60%
01-31	Japan	METI	Retail Sales MoM	Dec	1.10%	0.70%	-1.10%
01-31	Japan	METI	Retail Sales YoY	Dec	3.80%	3.20%	2.60%
01-31	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Dec	-0.10%	-1.00%	0.20%
01-31	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Dec	-2.80%	-3.60%	-0.90%

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2022 results	No. of days remaining	Status
QAMC	Qatar Aluminum Manufacturing Company	02-Feb-23	1	Due
QIGD	Qatari Investors Group	05-Feb-23	4	Due
QCFS	Qatar Cinema & Film Distribution Company	06-Feb-23	5	Due
DOHI	Doha Insurance	08-Feb-23	7	Due
IHGS	INMA Holding Group	08-Feb-23	7	Due
MRDS	Mazaya Qatar Real Estate Development	08-Feb-23	7	Due
UDCD	United Development Company	08-Feb-23	7	Due
QIMD	Qatar Industrial Manufacturing Company	08-Feb-23	7	Due
QGTS	Qatar Gas Transport Company Limited	12-Feb-23	11	Due
SIIS	Salam International	12-Feb-23	11	Due
AHCS	Aamal	12-Feb-23	11	Due
ORDS	Ooredoo	13-Feb-23	12	Due
GISS	Gulf International Services	13-Feb-23	12	Due
BRES	Barwa Real Estate Company	13-Feb-23	12	Due
MPHC	Mesaieed Petrochemical Holding Company	15-Feb-23	14	Due
QNNS	Qatar Navigation	15-Feb-23	14	Due
QFBQ	Lesha Bank	15-Feb-23	14	Due
AKHI	Al Khaleej Takaful Insurance Company	21-Feb-23	20	Due

Source: QSE

Qatar

- **S&P: Qatar banking system's external debt decline may continue over next two years -** The decline in Qatari banking system's external debt is expected to continue in the next 12-24 months, S&P Global has said in a report. GCC countries are back to pre-pandemic levels, S&P said and noted the region's banks' margins, cost to income, and cost of risk are all improving. "We expect cost of risk to stay at normalized levels of about 1% and margins to continue improving although at a slower pace than in 2022," S&P noted. GCC banks' efficiency continues to support profitability, but inflation will increase operating costs. Low cost of labor and limited taxation help, it said. S&P expects GCC banks' asset quality indicators to deteriorate only slightly because of slowing growth and higher interest rates. Although banks have absorbed the impact of the pandemic, they also continued to build provisions and write off nonperforming loans (NPLs) to make space for new ones. Profitability has recovered to pre-pandemic levels in most GCC countries thanks to higher interest rates and stable cost of risk. Although banking sector efficiency remains strong, inflation will increase operating costs. Lower global liquidity is likely to have a limited impact on GCC banks because of their strong net external asset positions or limited net external debt positions. Strong capitalization and potential extraordinary government support, in case of need, continue to support banks' creditworthiness. Rating bias remains positive, driven by sovereign and idiosyncratic factors. The Russia-Ukraine conflict has more limited implications for the region and its banks than other Middle Eastern or North African countries, S&P said. On non-performing loans of GCC banks, S&P said the NPL ratio dropped slightly, thanks to the stronger economic environment, reaching 3.3% of total loans on average for its sample of banks on September 30, 2022, compared with 3.5% at year-end 2021. "We expect a small deterioration of asset quality indicators because of the expected slowdown of the GCC economies and higher interest rates. In our view, banks have already absorbed the impact of the pandemic and continue to build provisions for difficult times. Overall, we expect the NPL ratio to remain below 5% in the next 12-24 months," S&P said. GCC banks' capitalization levels will continue to support their creditworthiness in 2023 and 2024, it said. GCC banks stepped up their additional Tier 1 (AT1) issuances (both conventional and Islamic) in the past few years to benefit from supportive market conditions. As interest rates increase, S&P sees lower issuance and potential decisions to not call hybrids approaching their first optional call date. GCC banks are mainly funded by domestic deposits, which have proved stable through different cycles. Deposit growth was insufficient to finance lending growth in some countries, particularly in Saudi Arabia, where the central bank intervened to alleviate the pressure. (Gulf Times)
- **Doha Bank: Postponement of Board of Directors' meeting -** Doha Bank has decided to postpone the Board of Directors' meeting to Monday the 6th of February 2023 instead of Wednesday the 1st of February 2023, to discuss and approve the draft of the audited financial statements of the year 2022 and discuss net profit appropriation. (QSE)
- **Qatar Electricity & Water Co. to disclose its Annual financial results on February 12** - Qatar Electricity & Water Co. to disclose its financial statement for the period ending 31st December 2022 on 12/02/2023. (QSE)
- **Aamal to disclose its Annual financial results on February 12 -** Aamal to disclose its financial statement for the period ending 31st December 2022 on 12/02/2023. (QSE)
- **Doha Insurance to hold its investors relation conference call on February 12 to discuss the financial results -** Doha Insurance announces that the conference call with the Investors to discuss the financial results for the Annual 2022 will be held on 12/02/2023 at 12:30 PM, Doha Time. (QSE)
- **Aamal to hold its investors relation conference call on February 15 to discuss the financial results -** Aamal announces that the conference call with the Investors to discuss the financial results for the Annual 2022 will be held on 15/02/2023 at 02:00 PM, Doha Time. (QSE)
- **Qatar Islamic Bank to hold its AGM and EGM on February 22 for the year 2022** - Qatar Islamic Bank announces that the General Assembly Meeting AGM and EGM will be held on 22/02/2023, Virtually via Zoom at 04:30 PM. In case of not completing the legal quorum, the second meeting will be held on 01/03/2023, Virtually via Zoom and 04:30 PM. The Agenda of the extraordinary meeting shall be as follows: Modifying some articles in the Bank's Articles of Association, based on the updated version from the Governance instructions issued by Qatar Central Bank, as per circular (25) for the year 2022. The Agenda of the ordinary meeting shall be as follows: 1) Board of Director's Report on the results of the Bank and financial statements for year ended 31/12/2022 and discussion of the plan for the year 2023. 2) Sharia Supervisory Board report. 3) External auditors' report

on the financial statements for the year ended 31/12/2022. 4) Discussion and approval of the Bank's balance sheet and profit and loss for the year ended 31/12/2022. 5) Approval of the board of directors' proposal to distribute 62.50% cash dividends of the nominal value per share, i.e., QR0.625 per share. 6) Absolve the Board members from liability for the year ended 31/12/2022 and approval of the remuneration prescribed to them. 7) QIBK Governance Report for the year 2022. 8) Nomination of the external auditors of the Bank for the year 2023 and determination of the fees to be paid to them. 9) Board Elections for the new cycle 2023-2025. Participation and Voting procedures for the Meeting: In order to attend the meeting the shareholders or the proxies will be required to send electronically the following information and documents on or before February 21, 2023 to the email address: AGM@QIB.com.qa: 1) Copy of an identification document (Qatar ID or passport). 2) Mobile number. 3) NIN number. 4) Copy of the completed proxy form (available for download at www.QIB.com.qa/investorrelations) and supporting documents to authorize the proxy. Upon receipt and verification of the above documents, a Zoom link will be shared with the shareholder or their proxy to confirm their attendance and registration. Registration of the shareholders or their proxy shall commence at 1:00 pm on 22 February 2023 via the shared Zoom link. Subsequent to the completion of the above registration, a second Zoom link will be shared by email which will direct the shareholder or their proxy to the virtual meeting room. During the course of the meeting, the shareholders or their proxy will be able to discuss the agenda items and address their questions to the Board of Directors by sending them in the chat box, available in the Zoom application. As for voting on the agenda items, the shareholders or their proxy, who have an objection on any item are requested to raise their hand using the Zoom application functionality at the time of voting on the agenda item. In the event that the shareholder or the proxy does not raise the hand, it will be considered as an approval of the agenda item. (QSE)

- **Qatar sells QR500mn 7-day bills at yield 5.005%** - Qatar sold QR500mn ($136.9mn) of bills due Feb. 7 on Jan. 30. The bills have a yield of 5.005% and settled Jan. 31. (Bloomberg)

- **Total value of properties sold during December 2022 up 124% -** Among the most prominent changes in the Planning and Statistics Authority's latest issue is the increase in total number of vessels arriving at Qatari Ports and total net tonnage, at a monthly rate of 6.6% and 22.9%, respectively (compared to November 2022), and an annual increase of 10.4% and 11.1% (compared to December 2021). The Planning and Statistics Authority has released the 108th issue of (Qatar; Monthly Statistics) bulletin; a series of statistical newsletters released on a monthly basis. In this issue, we highlighted the most important statistical changes that occurred in the country during December 2022 in addition to extracts from the results of the 2020 Census. Furthermore, the total deposits and credit facilities of commercial banks rose at a monthly rate of 4.3% and 2.7% (compared to November 2022), and at an annual rate of 2.6% and 3.3% (compared to December 2021). The demographic statistics revealed that the total population of Qatar has increased from 2.68mn at December 2021 to 2.91mn at December 2022. As for tourism, the total number of inbound visitors reached about 614 thousand, recording a monthly increase of 3.7% (compared to November 2022) and an annual increase of 317.6% (compared to December 2021). The highest number of visitors was from the Gulf Cooperation Council at 40%. As for visitors by type of port, the visitors via Air make up the highest percentage with 61% of the total number of visitors. Next issue will hopefully be released by the end of February 2023. (Peninsula Qatar)

- **Qatar's sovereign wealth fund invests $150mn in North Road Company -** Qatar's sovereign wealth fund is investing $150mn in North Road Co., an independent studio that produces the TV series Love Is Blind and the Planet of the Apes films, a sign that Hollywood's growing austerity hasn't dampened investor enthusiasm for entertainment. The deal values North Road at more than $1bn and resumes a relationship between the Qataris and media mogul Peter Chernin, North Road's chief executive officer. The Qatar Investment Authority previously invested in the Chernin Group, the investment and media company he founded after leaving Fox. The money from Qatar is on top of an earlier commitment of as much as $500m from Providence Equity Partners and another $300m in debt financing from Apollo Global Management Inc. Chernin is stockpiling cash because he believes that several entertainment assets will go up for sale in the coming year or two and wants to have the resources to make deals. His company is already looking at three or four transactions, but he declined to specify which ones. "There will be plenty of opportunities," Chernin said in an interview. "Rather than find an opportunity we don't have money for, we'd rather have enough of a bankroll that we have flexibility." Chernin has already made a large bet on the value of unscripted programming. North Road last year acquired Red Arrow Studios' US assets, which owns the reality TV production outfit Kinetic Content. Kinetic produced some of Netflix's most popular unscripted programs, including Love Is Blind and The Ultimatum. Chernin founded North Road last year as a holding company for several production companies and studios. He wants to build one of the largest suppliers of programming to global streaming services such as Netflix. (Peninsula Qatar)

- **PSA: Number of visitors to Qatar surges 317.6% in December 2022 -** The total number of inbound visitors to Qatar reached about 614,000 in December 2022, recording a monthly increase of 3.7% (compared to November 2022) and an annual increase of 317.6% (compared to December 2021), according to a report released by Planning and Statistics Authority (PSA). The highest number of visitors was from the Gulf Cooperation Council at 40%. As for visitors by type of port, the visitors via Air make up the highest percentage with 61% of the total number of visitors. According to PSA, the total number of vessels arriving at Qatari Ports and total net tonnage increased at a monthly rate of 6.6% and 22.9%, respectively, and the annual rates of 10.4% and 11.1%, respectively. Furthermore, the total deposits and credit facilities of commercial banks rose at a monthly rate of 4.3% and 2.7%, respectively, and at an annual rate of 2.6% and 3.3%, respectively. Total electricity consumption during December 2022 was 2603.5 GWh attaining a monthly decrease of 15.5% and an annual decrease of 12.4%. While the total water consumption reached 28505.5 thousand m3 during the same month attaining a monthly decrease of 3.9% and an annual decrease of 46.7% compared to December 2021. As for the banking sector, the total broad money supply (M2) recorded about QR714bn during December 2022, an annual increase of 17.4% compared with December 2021. On the other hand, cash equivalents; including commercial bank deposits, attained QR999bn in December 2022. The figure has recorded an annual increase of 2.6% compared to December 2021, when deposits recorded approximately QR974bn. Regarding the data on building permits issued, the total number of permits has reached 527 permits during December 2022, recording a monthly decrease of 18.3% and an annual decrease of 21.6%. (Qatar Tribune)

- **World Cup lifts Qatar's hotel rooms' yield about 300% in December -** Doha's hospitality sector saw an almost 300% surge year-on-year in rooms' yield in December 2022, as Qatar saw more than four-fold jump in visitors, particularly from the Americas and the Gulf Co-operation Council (GCC) as well as other Arab countries, in view of the crucial matches of the FIFA World Cup, which culminated to success during the month, according to the official data. In December 2022, the hospitality sector saw the average room rates increase in the range of 106% to 365% on an annualized basis, while visitors' growth in the range of 142-587%, said the figures released by the Planning and Statistics Authority (PSA). The country's overall hospitality sector saw a 285.84 year-on-year surge in average revenue per available room to QR1,281 in December 2022 as the average room rate zoomed 328.4% to QR2,112. Occupancy nevertheless was down 6% to 61% in the review period. This upward trend in the hospitality sector's room yield comes amidst a 317.6% year-on-year surge in visitor arrivals to 613,612 in December 2022 with majority coming from the GCC countries. The visitor arrivals from the GCC were 244,261 or 40% of the total; followed by Europe 103,067 or 17%; other Asia (including Oceania) 99,638 or 16%; other Arab countries 87,916 or 14%; Americas 68,422 or 11% and other African countries 10,308 or 2%. The visitor arrivals from the Americas zoomed 586.9% on an annualized basis in the review period; followed by other Arab countries (479.4%), the GCC (447.5%), other African countries (346.4%), Europe (206%) and other Asia, including Oceania (141.9%). On a monthly basis, the visitor arrivals from the GCC shot up 90.2% and those from other Arab countries by 2.9%; whereas those from the Americas declined 49.6%, other African countries by 25.9%, other Asia including Oceania by 13.4% and Europe by 9% in December 2022. In the case of five-star hotels, the average revenue per available room soared 305.84% on annualized basis to QR1,806 in December 2022 as the average room rate skyrocketed 364.5% to QR3,140. The occupancy was seen dropping 8% to 58% in December 2022. The average revenue per available room in the four-star hotels shot up 239.42% on a yearly basis to QR706 in December 2022 as the average room rate jumped 307.22% to QR1,128. The occupancy plummeted 12% to 63% in the review period. The three-star hotels saw a 173.13% year-on-year jump in average revenue per available room to QR620 as average room rate grew 262.96% to QR882 in December 2022. The occupancy plunged 23% to 70% in the review period. The two-star and one-star hotels' average revenue per available room shot up 197.73% year-on-year to QR393 in December 2022 as the average room rate grew 106.28% to QR427 and occupancy by 28% to 92%. The deluxe hotel apartments saw a 327.35% year-on-year expansion in average revenue available per room to QR1,000 in December 2022 as the average room rate in the category was seen shooting up 317.99% on an annualized basis to QR1,626 and the occupancy by 2% to 62% in the review period. In the case of standard hotel apartments, the room yield improved by 143.06% year-on-year to QR525 in December 2022. The average room rate shot up 275.5% to QR935, even as occupancy tanked 31% to 56% in the review period. (Gulf Times)

- **Qatar's longest running construction exhibition returns for 19th edition -** Under the patronage of Prime Minister and Minister of Interior of the State of Qatar HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani, IFP Qatar announced that the 19th edition of Project Qatar will be taking place from May 29th to June 1st at the Doha Exhibition and Convention Centre (DECC). The International Trade Exhibition for Construction Material, Equipment, and Technology will welcome leading brands from around the world and connect industry professionals with Qatar's top decision-makers, paving way for strategic alliances and agreements. Haidar Mshaimesh, General Manager of IFP Qatar, said: "The opportunities in the construction market continue to attract stakeholders from all over the world, and Project Qatar is positioned to offer an ideal platform to connect and network, both during and after the event, in order to ensure long-term growth and partnerships." "The expansion of Qatar's construction market has been fueled by foreign direct investments and government stimulus packages under the Qatar National Vision (QNV) 2030, which is the government's strategic development roadmap. Through the framework, Qatar aims at becoming a self-sustaining and diversified economy that doesn't heavily rely on oil," he added. Mshaimesh continued: "We are confident that the exhibition will encourage industry participants to strengthen their efforts in sharing best practices and innovative solutions that will further contribute to the country's economic development." (Peninsula Qatar)
- **MEFMA hosts networking session on contribution of FM to World Cup -** Manpower and communication management were two major challenges that the facility management (FM) of the FIFA World Cup grapple with on a daily basis to ensure a successful conclusion of the sporting event said facility managers of the World Cup addressing a networking session at the Al Wadi Hotel, MGallery yesterday. The session held under the theme 'Spotlight on Qatar's FM contribution to the World Cup Success and Beyond' hosted by MEFMA (Middle East Facility Management Association) shed light on a range of issues faced by facility managers. Facility managers said the incredible rise in the demand for manpower, the constant change in the venue schedule and meeting the skill requirement were never a cakewalk in catering to a diverse global community. Every spectator and visitor to the venue is crucial as their judgment on cleanliness and quality of service goes a long way for the success of any event, said G4S Qatar General Manager Gary Thomson speaking on 'Keeping FIFA 2022 Clean'. Managing 64 tournament games, the daily change of training schedule, the frequent change in staff deployment times, security protocols and coping with three shifts 24/7 were a daunting task according to facility managers. Difficulties in controlling third party contracts, timelines and uniform issues and the meal voucher system with regard to man power handling and securing the right product at the right time, delivery before sites lock downs and constant requests for new consumables and equipment in the deployment of logistics to eight stadiums, 36 training sites and six special sites were some of the other challenges that facility mangers of the FIFA Cup 2022 had to overcome. AL Asmakh A to Z Services Group CEO Gabriel Semaan said accommodation, transportation, recruitment, visa and accreditation, flight bookings, on boarding, payroll, financing and demobilization were the biggest hurdles that the company faced and overcame successfully by scouting and finding the right place to accommodate over 4,000 persons, strengthening HR teams and hiring a separate team for the tournament and mobilizing a employee relations team to have an HR coordinator on-site at each project. Facility managers said the lessons from the event on the learning curve is what matters most in organizing mega events of the magnitude of the world cup. Qatar's preparations for the spectacular sporting event commenced over a decade ago after the state won the bid to host the first football World Cup in the Middle East. Key lessons learned from previous events, including the FIFA Club World Cup™ and FIFA Arab Cup™, helped the SC create a bespoke plan for the FIFA World Cup, which included four matches a day from 21 November to 2 December. The Supreme Committee for Delivery and Legacy and countrywide partners worked closely over the years to provide a seamless transportation for the tournament held from November 2 to December 18. (Peninsula Qatar)
- **Commercial Bank named 'Best Trade Finance Provider' in Qatar -** For the fourth consecutive year, Commercial Bank, the most innovative digital bank in Qatar, has been named the Best Trade Finance Provider in Qatar by Global Finance, the world's leading publication that recognizes excellence in the financial industry. This award recognizes Commercial Bank's exceptional performance in the field of trade finance and its unwavering commitment to delivering top-quality financial products and services to its clients. Trade finance is a vital part of Commercial Bank's business strategy, and the Bank has a longstanding track record of helping its clients navigate the complexities of international trade and minimize risk. Commercial Bank's success in trade finance is a result of its dedication to innovation and its focus on providing the best possible financial products and services to its clients. The Bank is constantly seeking ways to enhance its trade finance offerings and meet the evolving needs of its clients. Commercial Bank has also made significant investments in technology, which has allowed it to streamline its trade finance processes and increase efficiency. This investment has proven to be beneficial, as the Bank has been able to offer its clients faster turnaround times and more flexible solutions. (Peninsula Qatar)
- **Nakilat awarded 'British safety council' health and safety award -** Nakilat, the world's largest Liquefied Natural Gas (LNG) fleet owner, has been recognized with the prestigious 'Sword of Honor from the British Safety Council for the fifth consecutive year. Nakilat Chief Executive Officer, Eng. Abdullah Al-Sulaiti said: "Winning this award consecutively for the 5th time is a further testament to Nakilat's commitment to the wellbeing and safety of its staff, which is central to the success of our organization. Our Safety, Health, Environment and Quality team has robust and extensive systems, ensuring utmost priority in our staff's safety and environmental protection. We have procedures in place that allow us to act swiftly in response to any critical situation and ensure our operations remain uninterrupted while keeping our personnel safe. My warm congratulations to the entire team for their dedication and hard work.'' Peter McGettrick, Chairman of the British Safety Council, said: "On behalf of the board of trustees and staff of the British Safety Council I would like to congratulate Nakilat on achieving the highest standards of health, safety and environmental management. Achieving recognition of this sort takes real dedication and absolute professionalism. We are proud to support your organization in its achievement and delighted we can contribute to your ongoing success." (Peninsula Qatar)
- **USQBC expected to host US congressional delegation in Qatar -** The US-Qatar Business Council (USQBC) is planning to host a delegation of American congressmen, which is expected to arrive in Qatar this February, the council's top official has said. Scott Taylor, USQBC president, said the planned visit of the US congressional delegation to Qatar is part of the council's efforts to boost the trade and economic relations between both countries. "There is a delegation in the works and it will be composed of bi-partisan members of congress from different US states. Most of the time, members of congress have specific industries in their respective districts that relate to Qatar, whether it's energy,

sustainability, or defense. "The dates for this event are being firmed up and it may happen this February, probably right around or just right after the strategic dialogue that is currently happening," Taylor told Gulf Times in an exclusive interview. According to Taylor, members of the congressional delegation from the US are slated to meet with ministers and other high-level government officials in Qatar, as well as with US ambassador to Qatar Timmy Davis and other dignitaries. Also expected to participate in the meeting are US and Qatari companies and other players and stakeholders of both countries' private sectors, as well as members of the US military and their Qatari counterpart, Taylor pointed out. Taylor, a former congressman and US Navy Seal, underscored the importance of forging networks between private sector companies and congress members, who can impact policy in different industries and business sectors. (Gulf Times)

- **Qatar, Kuwait discuss ties in transportation -** Minister of Transport HE Jassim Saif Ahmed Al Sulaiti met with Minister of Public Works and Minister of Electricity, Water and Renewable Energy of the State of Kuwait HE Dr. Amani Suleman Abdulwahab Bugamaz, in Doha, yesterday. The two ministers reviewed Qatar-Kuwait relations in areas of transportation and associated infrastructure, and ways to further develop them. The meeting was also attended by Ambassador of Kuwait to Qatar HE Khaled Badr Al Mutairi. (Peninsula Qatar)
- **Qatar, Japan hold second strategic dialogue in Tokyo -** The government of the State of Qatar and the government of Japan held yesterday the second strategic dialogue session at the headquarters of the Ministry of Foreign Affairs in Tokyo, Japan. Deputy Prime Minister and Minister of Foreign Affairs HE Sheikh Mohammed bin Abdulrahman Al Thani chaired the Qatari side in the session, and Minister of Foreign Affairs of Japan HE Hayashi Yoshimasa headed the Japanese side. During the session, they discussed expanding joint investments in the energy field, enhancing cultural relations, cooperation, and exchanging experiences in cybersecurity, in addition to enhancing cooperation in the defense field, exchanging expertise in the technological field, promoting private investments, and exchanging businesspersons visits in the two countries. (Peninsula Qatar)
- **Qatar eyes carbon credits to meet emission cut target -** Qatar has stepped up efforts to use carbon credits along with a slew of measures in place following National Climate Change Action Plan which aims at reducing greenhouse gas (GHG) emissions 25% by 2030."Qatar is currently implementing many initiatives such as improving energy efficiency, operating renewable energy plants, and introducing carbon capture and storage technologies," said Saad Abdullah Al Hitmi, Acting Director of the Climate Change Department at the Ministry of Environment and Climate Change (MoECC).In order to achieve the target, set by the plan, he said, Qatar seeks to use carbon credits, through international cooperation, including exchanging knowledge and transferring technology. Al Hitmi was speaking in a seminar on the role of carbon credits in achieving the goals of reducing emissions, entitled 'Carbon Credits'. Held in the presence of Minister of Environment and Climate Change H E Sheikh Dr. Faleh bin Nasser bin Ahmed bin Ali Al Thani, the event was organized by MoECC in cooperation with the Japanese Ministry of Economy, Trade and Industry. Al Hitmi said that the symposium is focusing on the global scenario and the role of carbon credits in achieving the goals of reducing emissions, by discussing the energy transition and the latest developments in carbon credits, including Article 6 of the Paris Agreement, the Joint Credit Mechanism, and Voluntary Carbon Credits. He pointed out that the symposium aims to achieve several goals, including raising awareness about the use of carbon credits, achieving a society free from this substance, and exchanging knowledge about carbon credits, and the latest technologies to remove it, as well as joint credit case studies. Al Hitmi noted that Article 6 of the Paris Agreement would enhance carbon transactions between governments, pointing out that it allows countries to exchange carbon credits through bilateral agreements so that emissions can be reduced abroad and used to achieve their own goals. (Peninsula Qatar)
- **HIA sees over 100% surge in passengers -** Hamad International Airport (HIA) witnessed a significant increase in passenger traffic in 2022, with a 101.9% Year-on-Year surge, making this a milestone year as the airport welcomed 35,734,243 passengers. The airport also saw an increase in overall aircraft movements of 217,875, a 28.2% growth compared to 2021, and concluded 2022 with 44 airline partners operating to and from Hamad International Airport. HIA currently serves over 170 destinations around the world. Last year, HIA retained its title as the "Best Airport in the World" for the second consecutive year and launched phase A of its expansion project. As part of the MATAR, the Qatar Company for Airports Operation and Management - Airport Operations Plan, HIA and Doha International Airport (DIA) further enhanced its airport operations during the FIFA World Cup Qatar 2022 and introduced customer-centric activities and operations in order to deliver a safe, seamless and memorable experience. Engr. Badr Mohammed Al Meer, HIA Chief Operating Officer said: "The year 2022 will remain a significant and memorable year as Hamad International Airport maintained operational excellence as our passenger and aircraft movements increased. This is attributed to our forward-thinking and preparedness for the expected increase in passenger numbers, investing in our people to deliver the best customer experience to our passengers." (Peninsula Qatar)
- **Qatar 2022 fans excited to revisit using Hayya Card -** The Ministry of Interior's announcement to extend the validity of the Hayya Card for FIFA World Cup Qatar 2022 fans and organizers has brought smiles to the face of many who plan to revisit the country hassle-free. Visitors and residents welcomed the decision seeing it as an opportunity to meet friends and families in Qatar and explore the country. On Monday, the Ministry announced the validity extension of the Hayya Card for fans and organizers, whereby its holders from outside the country will be allowed to enter Qatar until January 24, 2024. The Peninsula spoke to some Hayya Card holders outside the country and to residents who hosted their friends and families during the World Cup. "A great decision by the authorities," said Anna Sunil Jaison from the Indian State of Kerala. She visited Qatar during the World Cup, and it was an opportunity to reunite with her family "This decision will help many families to revisit Qatar and be with their dear ones for a longer period," Anna said adding that during her visit in December 2022, she enjoyed going to many places in Doha including The Pearl, Katara, and malls. "It was definitely a memorable experience and look forward to visiting Qatar again soon," she said. All Hayya Card holders visiting Qatar will have access to the 'Hayya with Me' feature which allows Hayya Card holders to invite up to three family members or friends, a multiple-entry permit to the country, use the e-Gate system for entry and exit via State ports, and no fees are required. "Qatar has made it easy for us to revisit the country. I have already shared my plans with friends in Qatar; I'll return soon," said Hamza Hanifa, a Sri Lankan football fan – who visited Qatar during the World Cup and stayed here until January 23. (Peninsula Qatar)
- **QFC-homed Vesuvio Labs to establish JVs; to bring two UK portfolio companies into Doha -** The Qatar Financial Centre (QFC) domiciled Vesuvio Labs Doha, a venture builder, has embarked on a multi-pronged strategy to enhance Doha's international appeal in attracting fintechs as it finds the country has immense potential, especially for B2B fintechs. The UK-headquartered entity is setting up two joint ventures here and also trying to bring in two portfolio companies that it nurtured in London to establish their base in Qatar as part of expansion into the wider Gulf and Middle East regions, Pedro Caetano, head of Ecosystem, Vesuvio Labs, Doha, told Gulf Times. In this regard, Vesuvio Labs, whose core areas are financial services and remittances, has approached Invest Qatar and Qatar Insurance Company's Digital Venture Partners. "We are finalizing two joint ventures. Our model here is more towards joint ventures," he said, confirming that it is in talks with the Qatar Development Bank (QDB) for becoming a complementary co-founder. "We are pre-seeds with a ceiling of $100,000 to $150,000," he said "Qatar is the right place to launch, test and expand" and it is the reason why it chose the country as its regional headquarter for the Middle East. Asked by when the joint ventures would be established, he said "by February, we will be able to finalize those." One of the joint ventures would be a fintech "as the area, where we think there is room for growth in Qatar, is on B2B or business-to-business fintechs", according to Caetano. Highlighting the potential for B2B fintechs in Qatar; he said the small and medium enterprises (SMEs) could greatly benefit as fintechs could help not only with financial services but also the technology could fine tune the

processes in their entire supply chain. Stressing that it involves working with banks and identity verification entities; he said Vesuvio Labs Doha is already in talks with those entities that were part of the QDB accelerator program. Another joint venture would be with an already existing fintech for the latter's research and development lab, he said, without disclosing the name. On plans to bring its already nurtured entities in the UK to Doha; he said "we are bringing two portfolio companies to Qatar and we did an application to Invest Qatar to help us on that." The application includes not only hosting its portfolio entities but also for the future companies it is about to set up as joint ventures. At present, Vesuvio Labs has 10 portfolio companies in the UK with some of them already becoming matured into multi million pound entities, especially Distribind, a digital data exchange delivering automated back-office processing that can help all participants across the value chain in the insurance sector. "We submitted multiple portfolio companies to Qatar insurance digital ventures challenge undergoing," he said. QIC DVP works with breakthrough insurtech companies that are redefining the insurance ecosystem through digital innovation. "The QIC DVP can help establish niche businesses (such as Distribind) in Qatar," according Caetano. (Gulf Times)

- **South Africa Tax Agency posts synthesized text of DTA, protocol with Qatar -** The South African Revenue Service Jan. 27 posted online a synthesized text of the 2015 DTA and protocol with Qatar and the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI), which entered into force Jan. 1. The MLI applies from: 1) Jan. 1 for withholding taxes; and 2) July 1 for all other taxes. The synthesized text is to facilitate the application of the MLI but isn't a source of law. (Bloomberg)

International

- **US labor cost growth smallest in a year -** US labor costs increased at their slowest pace in a year in the fourth quarter as wage growth slowed, giving the Federal Reserve a boost in its fight against inflation. There was more encouraging news on inflation, with other data on Tuesday showing house price growth slowing considerably in November. The reports were published as Fed officials began a two-day policy meeting. The US central bank is expected to raise its policy rate by 25 basis points on Wednesday, further scaling back the pace of its interest rate increases. "The Fed's rate hikes in 2022 were successful at cooling an overheated economy," said Bill Adams, chief economist at Comerica Bank in Dallas. "But policymakers want to see a wider margin of slack open up to be confident that the slower inflation in late 2022 becomes the trend." The Employment Cost Index, the broadest measure of labor costs, rose 1.0% last quarter, the Labor Department said. That was the smallest advance since the fourth quarter of 2021 and followed a 1.2% gain in the July-September period. Economists polled by Reuters had forecast the ECI would rise 1.1%. Labor costs increased 5.1% on a year-on-year basis after climbing 5.0% in the third quarter. They remain higher than the 3.5% that Fed officials and economists view as consistent with tame inflation. The Fed has a 2% inflation target. The ECI is viewed by policymakers as one of the better measures of labor market slack and a predictor of core inflation because it adjusts for composition and job-quality changes. The Fed last year raised its policy rate by 425 basis points from a near-zero level to a 4.25%-4.50% range, the highest since late 2007. Though the central bank has shifted to smaller rate increases, it is unlikely to stop tightening monetary policy. The Fed's "Beige Book" report this month described the labor market as "persistently tight," noting that "wage pressures remained elevated across districts" in early January, though five regional "Reserve Banks reported that these pressures had eased somewhat." While annual growth in average hourly earnings in the Labor Department's monthly employment report has cooled, wages remain high. The Atlanta Fed's wage tracker also moderated but stayed elevated in the fourth quarter. Labor market tightness was underscored by a separate Conference Board report showing its consumer survey's so-called labor market differential, derived from data on respondents' views on whether jobs are plentiful or hard to get, increased to 36.9 in January from 34.5 in December. This measure correlates to the unemployment rate from the Labor Department, and the rise was consistent with tight labor market conditions. The government will on Wednesday publish job openings data for December. There were 10.5mn job openings on the last business day of November. (Reuters)

- **US consumer confidence ebbs in January; inflation expectations rise -** US consumer confidence unexpectedly fell in January as households continued to worry about the economy's prospects over the next six months, a survey showed on Tuesday. The Conference Board said its consumer confidence index slipped to 107.1 this month from 109.0 in December. Economists polled by Reuters had forecast the index at 109.0. The survey places more emphasis on the labor market, which remains tight. Consumers' 12-month inflation expectations rose to 6.8% from 6.6% last month. The present situation index, based on consumers' assessment of current business and labor market conditions, increased to 150.9 from 147.4 last month. But the expectations index, based on consumers' short-term outlook for income, business, and labor market conditions, dropped to 77.8 from 83.4 in December. This measure is below 80, a level The Conference Board says was associated with recession. (Reuters)

- **US house price inflation slows further in November -** US single-family home price growth cooled further in November, surveys showed on Tuesday, which together with declining mortgage rates could help to slow the housing market’s slide deeper into recession. The S&P CoreLogic Case Shiller national home price index, covering all nine US census divisions, increased 9.2% year-on-year in November, pulling back from October’s increase of 10.7%. A surge in remote work during the COVID-19 pandemic led to a housing market boom, driving prices to record highs. The Federal Reserve’s fastest interest rate-hiking cycle since the 1980s has driven housing into recession. Falling mortgage rates and slowing house price inflation have, however, raised hopes that the housing market could soon stabilize, though at depressed levels. The rate on a 30-year fixed mortgage ticked down to an average 6.13% last week, the lowest level since mid-September, according to data from mortgage finance agency Freddie Mac. The rate was down from 6.15% in the prior week and has dropped from an average of 7.08% early in the fourth quarter, which was the highest since 2002. But it remains well above the average 3.55% seen during the same period last year. “As rates have come down in the first weeks of the new year, housing market activity has started to thaw out, but 2023 will likely still be a relatively tamer year for housing with many expecting prices to flatline at best,” said Nicole Bachaud, senior economist at Zillow in Seattle. A separate report from the Federal Housing Finance Agency showed home prices climbed 8.2% in the 12 months through November after advancing 9.8% in October. (Reuters)

- **Kantar: UK grocery price inflation surges to record 16.7% -** British grocery inflation hit a record 16.7% in the four weeks to Jan. 22, dealing another blow to consumers battling an escalating cost-of-living crisis, industry data showed on Tuesday. Market researcher Kantar said grocery inflation was at its highest since it started tracking the figure in 2008, with prices rising fastest for essential products such as milk, butter, cheese, eggs, dog food and toilet rolls. It said UK households now face an additional 788 pounds ($974) on their annual shopping bills if they don't change their behavior to cut costs. "Late last year, we saw the rate of grocery price inflation dip slightly, but that small sign of relief for consumers has been short-lived," Fraser McKevitt, Kantar's head of retail and consumer insight said, noting the figure jumped a "staggering" 2.3 percentage points from December's reading. After a tough 2022, British consumers are facing an even tighter squeeze on their finances this year as the government cuts back support on household energy bills and mortgage rates rise. The Bank of England is expected to raise its main interest rate by half a percentage point to 4% on Thursday. Official data published this month showed overall consumer price inflation fell to 10.5% in December. The Bank of England expects it to fall to around 5% by the end of 2023 as energy prices stabilize. Kantar said sales of supermarkets' own-label lines grew 9.3% in January, while sales of branded products, which are generally more expensive, were up by just 1%. (Reuters)

- **BRC: UK shop price inflation hits record 8% in January -** Prices in British shops in January were 8.0% higher than a year before, the biggest annual increase since at least 2006 when comparable records started, figures from the British Retail Consortium (BRC) showed on Wednesday. Inflation hit a record high in all the main categories monitored by the BRC, led by a 15.7% increase in the cost of fresh food, which reflected high wholesale prices for fruit and vegetables and increased processing costs. Overall food prices, which include longer-life goods, rose by 13.8%, while non-food prices were 5.1% higher. Many British households have been hit hard by a surge in the cost of living since Russia's invasion of Ukraine in February 2022. On Monday the Office for National Statistics said 5% of homes reported running out of food and being unable to buy more. The Bank of England has forecast that inflation will remain high over the coming months before falling later in 2023 and is widely expected to raise its main interest rate on Thursday to 4%, the highest since 2008. BRC chief executive Helen Dickinson said she did not think shop prices had peaked yet, as retailers were still facing rising energy bills and labor shortages. Although European natural gas prices have fallen in recent months, they are still several times higher than they were in early 2021 and the government will withdraw most of its energy subsidies for businesses in April. The BRC collected its price data between Jan. 1 and Jan. 7. Figures released by market research company Kantar on Tuesday, which covered the four weeks to Jan. 22, showed annual grocery price inflation of 16.7%. (Reuters)

- **UK housing activity slowing rapidly, Bank of England data shows -** Mortgage approvals in Britain slumped in December to levels seen during the global financial crisis, Bank of England data showed on Tuesday in a further indication that the housing market is slowing much faster than the consensus predicted. The BoE said 35,612 mortgages were approved last month, compared with 46,186 in November. Excluding the COVID-19 pandemic when lockdowns brought the housing market to a standstill, it was the lowest reading since January 2009, when Britain was mired in recession. (Reuters)
- **Eurozone economy unexpectedly grows in Q4 but weak 2023 looms -** The Eurozone eked outgrowth in the final three months of 2022, managing to avoid a recession even as sky-high energy costs, waning confidence and rising interest rates took a toll on the economy that is likely to persist into this year. Gross domestic product across the currency bloc expanded by a tiny 0.1% in the fourth quarter, data from Eurostat showed on Tuesday, outperforming expectations in a Reuters poll for a 0.1% drop. Compared to a year earlier, growth was 1.9%, just beating expectations of 1.8%. Among the biggest euro zone countries, Germany and Italy recorded negative growth rates for the quarter but France and Spain expanded, Eurostat added, based on a flash estimate that is subject to revisions. Russia's nearly year-old war in Ukraine has proved costly for the euro zone, which now spans 350mn people in 20 countries, given some members' heavy reliance on cheap energy. Surging oil and gas prices have depleted savings and held back investment, while forcing the European Central Bank into unprecedented rate hikes to arrest inflation. But the economy has displayed some unexpected resilience, too - much like during the COVID-19 pandemic, when growth outperformed expectations as businesses adjusted faster to changed circumstances than policymakers had predicted. More recent figures like a crucial confidence indicator or the latest PMI data suggest growth may have hit bottom already and a slow recovery is underway, helped by generous government support and a mild winter that has limited energy spending. The overall picture nevertheless remains weak, with meagre growth forecast for 2023 due to a large drop in real incomes and surging interest rates. "The headline GDP figure gives a misleadingly favorable impression of economic conditions in late 2022," said Ken Wattret, an analyst at S&P Global Market Intelligence. "The key takeaway from member states' data is the breadth of weakness in private consumption, with the acute squeeze on household real incomes due to soaring inflation belatedly biting." Ireland's 3.5% Q4 growth figure distorted the overall picture as it was driven largely by activity among big foreign companies based there for tax reasons, economists said, adding that without Ireland, euro zone growth would have been zero. The ECB has raised rates by a combined 2.5 percentage points to 2% since July to tame inflation, and markets see another 1.5 percentage points of increases by mid-year, which would put the deposit rate at its highest level since the turn of the century. Such a rapid increase is putting a brake on bank lending, a key source of credit for businesses, and access to loans has already suffered the biggest drop last quarter since the bloc's 2011 debt crisis. "In the coming months, the noticeable tightening of monetary policy will increasingly slow down the economy," Commerzbank economist Christoph Weil said. "We continue to expect the euro area economy to contract slightly in the first half of the year, and the recovery expected in the second half is likely to be weak." (Reuters)
- **Kemp: China's manufacturing activity rises as COVID wave ebbs -** China's manufacturing activity has started to increase as the coronavirus epidemic wanes, after the country abandoned its suppression strategy that severely disrupted the economy with a series of city lockdowns. The manufacturing purchasing managers' index rose to 50.1 (between the 26th and 34th percentiles for all months since 2011) in January from 47.0 (1st percentile) in December. Business activity expanded at the fastest rate since September and at essentially the same pace as a year ago, according to the data published by the National Bureau of Statistics (NBS). The NBS manufacturing index appears low, barely above the theoretical 50-point threshold dividing expanding activity from a contraction, but that may understate the increase in activity. But China's manufacturing index has been generally lower and less variable than the comparable indices published for the United States and the Eurozone by the Institute for Supply Management and S&P Global respectively. (Reuters)
- **Caixin PMI: China's Jan factory activity contracts at slower pace amid COVID infections -** China's factory activity shrank more slowly in January after Beijing lifted tough COVID curbs late last year which helped ease pressure on manufacturers though infections among workers hampered production, a private sector survey showed on Wednesday. The Caixin/S&P Global manufacturing purchasing managers' index (PMI) nudged up to 49.2 in January from 49.0 the previous month but missed expectations in a Reuters poll of 49.5. The reading marks the sixth monthly contraction in a row as the 50-point index mark separates growth from contraction on a monthly basis. The data was in contrast to a better-than-expected official survey on Tuesday, which largely focuses on big and state-owned firms, with manufacturing activity swinging back to growth. The Caixin survey centers on small firms and coastal regions, which includes a number of exporters. Economists said the faster-than-forecast "exit wave" of COVID-19 infections suggests that the worst of the economic slump has passed. They expect the world's second-largest economy to rebound in the first and second quarters, although long-term issues in the property sector and weakening external demand will drag on the growth outlook. According to the Caixin survey, the virus outbreak and subdued market conditions continued to weigh on customer demand and factory operations, with sub-indexes of both new orders and output contracting at a slower pace. In particular, companies said staff resignations and absences due to COVID infections weighed on headcount, while insufficient staffing contributed to a renewed upturn in backlogs of work. While a number of firms mentioned that the rollback of virus containment measures had helped to ease the strain on supply chains, logistics had yet to recover fully in some areas amid a shortage of workers. Due to sluggish global economic growth and cooling customer demand, the sub-index of new export orders shrank for the sixth straight month in January, though less than in December. After the government dismantled some of the world's toughest anti-virus measures in December, Chinese manufacturers expressed stronger optimism towards the 12-month outlook for output with the degree of positive sentiment in January surging to the highest since April 2021. The International Monetary Fund on Tuesday revised China's growth outlook sharply higher for 2023, to 5.2% from 4.4% previously after "zero-COVID" lockdown policies in 2022 slashed China's growth rate to 3.0% - a pace below the global average for the first time in more than 40 years. (Reuters)
- **Japan factory activity shrinks for third month in January -** Japan's factory activity contracted for a third straight month in January, a private survey showed on Wednesday, although manufacturers' outlook remained upbeat on improved supply and price conditions. Amid worsening global economic conditions, Japanese companies are facing calls for higher wage hikes at spring labor talks to counter inflation and support the consumption-led recovery in the world's third-largest economy. The au Jibun Bank Japan Manufacturing Purchasing Managers' Index was at 48.9 in January, unchanged from the flash reading and the previous month's final figure, which was the weakest level since October 2020. "Subdued global economic conditions continued to hold back customer demand across the Japanese manufacturing sector," said Tim Moore, economics director at S&P Global Market Intelligence, which compiles the survey.

Output and new orders contracted for a seventh consecutive month in January, although at a slower pace than in the previous two months, the S&P survey's subindexes showed. On the bright side, supplier delays were the least prevalent since February 2021, suggesting improvement in the tight supply of parts such as semiconductors. Input and output price inflation were the slowest in 16 months. "Hopes of a sustained improvement in supplier performance, alongside a reduced headwind from the pandemic, helped to support a further upturn in business confidence at the start of 2023," Moore said. Around three times as many manufacturers in the survey expect production to expand in the next 12 months as those that foresee a contraction, according to Moore. The subindex gauging respondents' future output rose to a three-month high, the data showed. (Reuters)

Regional

- **GCC project awards' value hit new low in 2022 -** GCC project awards contracted during 2022 as global economic challenges mounted, with the total value of contracts awarded in the region plunging 18.7% to $93.6bn from $115.2bn the previous year, according to Kamco Invest, a regional non-banking financial powerhouse based in Kuwait. This was the lowest project awards since 2005, barring the pandemic induced decline in 2020, stated the company in its report. All GCC countries, barring Saudi Arabia, witnessed a y-o-y decline in their aggregate 2022 value of projects awarded. Saudi Arabia remained the largest projects market in the GCC during 2022 recording a total of $54.2bn worth of contracts awarded as compared to $53.9bn in 2021. It dominated the GCC projects market during 2022 with 8 out of the 10 largest contracts awarded in the region during the year coming from the kingdom while the remaining two were from Qatar. The aggregate value of kingdom's Q4-2022 project awards surged to $18.3bn the highest quarterly value during the year and the second highest in the last three years despite suffering 13.9% y-o-y decline. Saudi Arabia was the only country which witnessed an increase in total value of projects awarded among the GCC countries during 2022 after it registered a marginal 0.5% uptick to reach $54.2bn as compared to $53.9bn. The decline in 2022 also reflected limited big-ticket projects outside the Saudi project market. The UAE ranked second recording total contract awards of $19.2bn vs. $25.9bn during 2021, said the Kuwaiti group in its report. In addition, total value of project awards was above the $100bn mark every year for the last decade with the exception of the pandemic year (2020) and 2022, it stated. The decline of GCC contract awards was affected by high inflation and continuing supply chain problems mainly due to China's intermittent Covid-19 restrictions which are now lifted, it added. In addition, the increase in benchmark rates by global and regional central banks to combat runaway inflation also impacted project funding in the GCC. Saudi Arabia, UAE and Qatar accounted for a combined 93.6% of the total value of contracts awarded in the GCC during the year. According to the report, total projects awarded in Kuwait during 2022 reached $2.8bn against $5.2bn in 2021. Similarly, Oman witnessed new project awards drop by 27.1% y-o-y to hit $2.2bn while the aggregate value of contracts awarded in Bahrain reached $96mn in 2022 as compared to $2.7bn during 2021. In terms of sector, the lion's share of the new contract awards went to the construction industry with the value registering a $3.2bn y-o-y increase to hit a total of $34.3bn during 2022. The growth in the GCC construction sector was mainly driven by the jump in total value of contract awards in Saudi Arabia's construction sector. Of the total value of projects awarded in the GCC, nearly 59.2% was awarded by the kingdom, stated the report. The outlook for 2023 remains bright for the GCC projects market with more than $110bn worth of projects already in the tender stage, according to MEED Projects, that would mostly translate into awards. Near-term forecast also remains positive for the region mainly driven by Saudi Arabia's construction sector and thanks mainly to big-ticket projects such as Neom, it added. (Zawya)

- **IMF: Economic growth in Middle East to slow to 3.2% in 2023 -** Economic growth in the Middle East and North Africa (MENA) will slow to 3.2% this year from 5.4% in 2022, before rising to 3.5% next year, the International Monetary Fund (IMF) said in its latest World Economic Outlook update. The growth projection for the region mirrors the global slowdown caused by higher interest rates and Russia's war in Ukraine and is mainly attributable to a "steeper-than-expected" growth slowdown in Saudi Arabia. It is also lower than the estimated 3.6% growth projection that the IMF released in October last year. Growth in the kingdom will fall significantly to 2.6% from the estimated 8.7% in 2022, reflecting mainly lower oil production in line with an agreement through OPEC + (Organization of the Petroleum Exporting Countries, including Russia and other non-OEC oil exporters). However, the Washington-based lender said that non-oil growth in Saudi Arabia will remain robust. Last October, the IMF said that worsening global conditions weighed on the outlook for MENA countries, citing that the region is "facing exceptional uncertainties and downside risks. However, it said that economic activity in MENA has been resilient so far. (Zawya)

- **EY: MENA raises $22bn with record 51 IPOs in 2022 -** The Mena region saw a record number of IPOs in 2022 with 51 IPOs and combined proceeds of $22bn, said professional services firm EY in a new report. The year witnessed a 143% increase in the number of listings when compared to the 21 announced in 2021, and a 179% hike in value when compared to last year, according to the EY Mena IPO Eye Q4 2022 report. The strong run across the Mena region's markets included 20 IPOs in Q4 2022 that raised $7.3bn in proceeds. In terms of value, Q2 2022 was the strongest quarter with $9.2bn in proceeds raised across nine IPOs. Brad Watson, EY Mena Strategy and Transactions Leader, said: "Mena IPOs had a stellar 2022, with interest and liquidity in the region continuing to defy global trends. The number of IPOs in Q4 2022 was the highest at 20; however, Q2 marked the highest proceeds with the listing of Dubai Electricity and Water Authority (Dewa) on the Dubai Financial Market (DFM) which raised a record $6.1bn. The year to watch will be 2023 as there is a healthy IPO pipeline across the region against the backdrop of a challenging and volatile global economic environment." Globally, 2022 saw a total of 1,333 IPOs raising $179.5bn in proceeds, a 45% decrease in volume and 61% decrease in value year-on-year. In contrast to the record-breaking 2021, IPO activity hit long-term lows by volume and value across several regions, with the strongest downward trend observed in the Americas. The Mena region, however, continues to buck the trend, with listings remaining strong until end-2022, and a positive outlook for 2023. Several companies have already announced their IPO plans for the new year. Mena equity performance experienced volatility throughout 2022 due to rising interest rates, inflation, and geopolitical unrest, which impacted investor sentiment. At the closing of the year, 24 out of the region's 51 IPOs had a negative return compared to their IPO price. (Zawya)

- **Saudi Arabia GDP rose 5.4% in Q4 2022 -** Saudi Arabia's GDP grew by 5.4% in the Q4 2022 compared with the same period in 2021, driven by both oil and non-oil sectors, according to government estimates on Tuesday. Oil sector activity rose 6.1% while non-oil sector activity grew 6.2%, according to the General Authority for Statistics. Overall, the economy grew 8.7% last year, the estimates showed. Government services activities by 1.8% year-on-year. Real GDP in 2022 expanded by 8.7% compared to 2021, on the back of growth in the oil activities by 15.4%, non-oil activities by 5.4% and government services activities by 2.2%, the data showed. Meanwhile, IMF in its report released on Monday, lowered Saudi Arabia's economic growth forecast to 2.6% for 2023, 1.1 percentage points lower than its October estimate of 3.7%, due to OPEC+ led cuts to oil production. In 2022, the kingdom clocked growth of 8.7%, the highest in the region. (Zawya)

- **Crown Prince, Putin review Saudi-Russian bilateral relations -** Crown Prince and Prime Minister Mohammed Bin Salman received on Monday a phone call from Russian President Vladimir Putin, the Saudi Press Agency (SPA) announced. During the phone call, the two sides reviewed the Saudi-Russian bilateral relations and ways to enhance them in various fields. The Crown Prince and Russia's president have also discussed several issues of common interest. It is noteworthy that the Kremlin said that President Putin has made a phone call with the Saudi Crown Prince in order to discuss the cooperation within the OPEC+ group of oil-producing countries to provide stability of the global oil market. Additionally, to discuss with him the further development of bilateral cooperation in fields of energy, trade, economy and politics. (Zawya)

- **'High levels of confidence' among Saudi and UAE workforce -** Saudi and UAE workforce have shown signs of confidence as they show resilience to the persisting global economic uncertainty, new research from LinkedIn, the world's largest professional network, has revealed. Despite hiring levels slowing down across Europe and the Middle East in 2022 compared to 2021, LinkedIn's survey has shown that 68% of the Saudi workforce feel confident in securing a new job, with just 11% lacking this confidence. In the UAE, 74% of professionals are confident of securing a new role, with just 10% saying that they lack this confidence. In regard to their existing jobs, around 73% of Saudi professionals are showing higher levels of confidence in pushing for promotions and new opportunities with their current employer, while only 7% feeling less of it, and over 7 in 10 feeling confident about pushing for a pay raise (73%). Despite the increase in confidence to grow in their current role, 73% of professionals are considering changing their job in 2023. The top three reasons for considering the switch are higher pay (36%), better work-life balance (28%), and respondents feeling confident in their abilities to land better roles (28%). In the UAE, despite the increase in confidence to grow in their current role, 77% of professionals are considering changing their job in 2023. The top three reasons for considering the switch are higher pay (37%), better work-life balance (34%), and the respondents feeling confident in their abilities to land better roles (31%). The survey reveals that while many workers feel more confident in their career prospects, concerns about job security and a preference for remote work options remain prevalent. Over 6 in 10 (64%) of workers surveyed said that if offered a new job or promotion that requires them to be in the office full time, they would decline the opportunity in favor of a hybrid or remote work policy. (Zawya)

- **Alfanar, Daewoo to set up JV for Saudi energy projects -** Alfanar Construction, a leading EPC (engineering, procurement, and construction) contractor in Saudi Arabia, said it has signed an agreement with Korean group Daewoo Engineering and Construction to explore opportunities for joint collaboration in the construction of oil, gas and petrochemical projects across the kingdom. The deal was inked by Alfanar Executive Vice President Amer Al Ajmi and Daewoo E&C Senior Vice President Sungmin Yang on the opening day (January 30) of iktva2023 Forum & Exhibition being held at Dhahran Expo Center. To be held until February 2, the In-Kingdom Total Value Add (IKTVA) program will see participants visit designated exhibition pavilions for enablers, digital, sustainability, industrial and manufacturing, as well as investment workshops and various panel discussions. This year's edition is being held under the theme 'Accelerating Future Success,' which aims to strengthen companies' readiness and resilience for tackling the upcoming calendar year by forging their collective localization efforts in different focus areas, such as sustainability, digital, industrial, manufacturing. Alfanar said as a leading Saudi company, it continues to contribute heavily towards developing local content and achieving sustainability in the energy sector. Through this agreement, the duo will work on transferring and localizing expertise in the engineering construction field and exchange the expertise of advanced technologies used in design, procurement, and project execution, it added. (Zawya)
- **Roshn to set up model housing districts in Saudi Arabia -** Saudi Arabia's national real estate developer Roshn has inked a deal with the Eastern Province municipality to expand the sector's urban landscape as well as the quality of life. Along with the memorandum of understanding, the two parties will cooperate on establishing model residential districts, in addition to designing and applying the urban code, infrastructure, as well as building controls stimulated by the Eastern Province's urban legacy. The deal also looks to signify suitable sites and include them into regional and local preparations in line with the Strategic Vision for Regions and Cities. CEO David Grover said Roshn was working to develop urban concepts that represent the standards of quality of life and are compatible with the aspiration of Saudi society while depending on its trusted partners such as the Eastern Province Municipality. "We are always proud to collaborate with government authorities to contribute to the improvement and growth of the kingdom's urban landscape," he added. (Zawya)
- **AJEX Logistics expands footprint, launches new services in UAE -** AJEX Logistics Services, a Middle East specialist in express distribution and shipping solutions, has launched several new services for customers in the UAE in line with its strategic growth plans. AJEX customers in the UAE can now enjoy both domestic and international end-to-end integrated logistics services connecting B2B and B2C customers across the UAE, GCC and internationally. AJEX's expansion plans for 2023 in the UAE include opening a fourth facility located in close proximity to Dubai International Airport to support its operations, adding a further 50 vehicles to its fleet and 50 staff members by the end of Q1. (Zawya)
- **UAE: First auction of Treasury Bonds for 2023 continues to achieve exceptional results -** The United Arab Emirates, represented by the Ministry of Finance (MoF) as the issuer, in collaboration with the Central Bank of the UAE (CBUAE) as the issuing and paying agent, has announced the results of the first auction in the year 2023 of the Treasury Bonds program (T-Bonds), which is part of the T-Bond issuance program for this year and as published in the T-Bonds calendar earlier this year. In 2022, MoF issued T-bonds aggregating to AED 9bn across tenors of 2 years, 3 years, and 5 years. The first auction of the UAE T-Bond program in 2023 witnessed a strong demand through the six primary bank dealers, with bids received worth AED 6.85bn, and an oversubscription by 6.2x. The strong demand was across both tranches with a final allocation of AED 550mn for the 2-year tranche and AED 550mn for the 5-year tranche, with a total of AED 1.1bn for issuance in the first auction in 2023. The success is reflected in the attractive market driven price, which was achieved by a spread of a 10 bps for the 2-year tranche, and a spread of 15 bps over for the 5-year tranche both over the applicable US Treasury benchmark. This auction followed the practice of re-opening the T-Bonds which helps in building up the size of individual bond issues and improve liquidity in the secondary market. The T-Bonds program contributes to building the UAE-dirham-denominated yield curve, strengthening the local debt capital market, developing the investment environment, providing safe investment alternatives for investors, as well as supporting sustainable economic growth. (Zawya)
- **UAE-France high-level Business Council set the framework to broaden ties in key sectors -** Dr Sultan Al-Jaber, UAE Minister of Industry and Advanced Technology, and Patrick Pouyanne, chairman and CEO of TotalEnergies, held the first plenary meeting of the UAE-France high-level Business Council in Abu Dhabi on Monday. Bruno Le Maire, French Minister of Economy, Finance and Industrial and Digital Sovereignty, also attended the meeting, which underlined the mandate bestowed on the council by the leadership of both countries. It also set the framework for a comprehensive approach to significantly broaden and deepen the UAE-France economic ties by fast-tracking pragmatic and result-oriented programs and initiatives with an initial focus on energy, clean energy and climate action, transport and logistics, manufacturing, technology, and bilateral Investments. The council represents a step change in the approach to identifying and delivering strategic joint programs and investments and will serve as a tangible outlet to expand the already vibrant economic cooperation that exists between the two countries' business communities. The establishment of the council coincides with a very important year for the UAE, the year of Sustainability and the year that UAE hosts the COP28, the most critical climate conference since the Paris Agreement. The work of the council will synergize the efforts of both sides towards delivering impactful joint projects and initiatives that would support the drive to deliver transformational progress at the COP28 on climate action across all four pillars but with a focus on mitigation, adaptation, financing, and loss and damage. The council emphasized the importance of engaging the private sectors from both countries and pledged to build on existing model economic cooperation between French and Emirati companies, such as the one between Strata and Airbus and foster it in all fields. In this regard, it was recalled that both countries are enjoying numerous investment opportunities in key strategic sectors in the framework of France 2030 and Make it in the Emirates. The UAE already hosts the largest number of French establishments in the Middle East, with around 600 subsidiaries employing more than 30,000 people. Reciprocally, the UAE is the second largest investor from the Arabian Gulf in France. The high-level Business Council set up three working groups dedicated to Energies and Climate (I), Transportation and Logistics (II), and Investments (III). Each working group, gathering 10 French and Emirati companies, including SMEs and startups, will work together to identify concrete joint projects and initiatives of mutual interest and recommend implementation roadmaps with an immediate focus on those addressing energy security, strengthening supply chains, and climate action on the road to COP28 in the Emirates. The working group dedicated

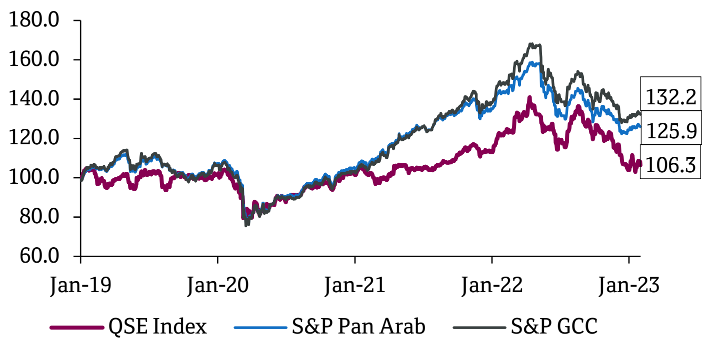
to energies and climate has already resulted in a first engagement on methane emissions reduction between TotalEnergies and Adnoc: the two companies are jointly committed to promoting ambitious action across the entire value chain, on a worldwide scale, to eliminate methane emissions in the oil & gas industry and to mobilizing all key players in the sector in order to make significant progress ahead of COP28. (Zawya)

- **60% of SMEs in the UAE 'posted lower net' during Covid times -** Two thirds of surveyed small and medium enterprises (SMEs) in the UAE and start-ups cited "negative financial impact" due to the Covid pandemic. Some 60% of SMEs in the UAE posted lower net profit than the pre-pandemic time, while 10% reported profit growth due to the pandemic, and 30% reported no impact on profit from the pandemic, said a report titled 'The Future of SMEs in the UAE - Drafting a Future Roadmap and Lessons for the Post-Pandemic Phase' launched by the Mohammed Bin Rashid School of Government (MBRSG), in collaboration with the Ministry of Economy and with support from Google. Some 66% of surveyed SMEs said they sought financing during the past two years while only 12% of medium-sized enterprises reported cutting training expenses, and 15% cut staff benefits because of the pandemic. About 38% of responding SMEs reported shifting their production towards new products and services due to Covid-19 impact A third of the surveyed SMEs reported that the government relief measures decreased financial pressures, 9% said they "rescued the company from bankruptcy" and 16% said they helped them retain talent and prevent layoffs. Prior to the pandemic, UAE-based SMEs reported wide challenges implementing online payment systems, but 56% claimed it became "easy" or "very easy" since Covid-19. The report is based on multi-year fieldwork study by the Policy Research Department at the MBRSG, identifying challenges that face small and medium-sized enterprises (SMEs) in the UAE, and proposing future policy directions to strengthen the sector. (Zawya)
- **Rising consumer confidence set to drive UAE economy -** The UAE residents' spending power remained strong in challenging times and they are still eager to spend more on personal well-being. The UAE's consumers are becoming more confident and spending more that will fuel growth in the economy despite rising inflation and interest rates worldwide, experts say. Analysts, corporate executives and business consultancies said the UAE market stepped up its activities very fast to drive through the impact of the Covid-19 pandemic. They said consumer spending has remained strong throughout the pandemic period despite volatile global macro-economic environment and similar trend is expected to continue this year. Saad Manair, senior partner at Crowe UAE, said the UAE residents are in a better position than certain other Western countries to manage the effect of inflation, provided they plan and manage their finance in a proper manner and be modest in their spending. "The UAE consumers have been generally extravagant in their spending, and they need to be smart in how they deploy their earnings," Manair told Khaleej Times. Hatem ElSafty, chief executive of Business Link, said the UAE's consumers are becoming more confident and spending more, fueling growth in the economy and signaling a bright future for the country's businesses. "With more disposable income and a desire for the latest technology and trendy products, consumers are becoming increasingly willing to spend, boosting the overall economy," he said. In recent research by leading management consulting firm Kearney, the UAE consumer spending power remains strong despite concerns about the global macro-economic environment as they do not expect to reduce their spending over the next six months. "While price increases have been noted across most retail categories, about 16% of consumers have reported an increase in spending on non-essential items compared to 2021. Over half, 56% of the consumers, are planning to spend on a major household purchase (Dh1,000+) in the next six months," according to the research. Ravi Krishnan, general manager at Ascent Partners, said pent-up demand from pandemic times continues to shine through. "Consumers, who embraced e-commerce during the pandemic, continue to make robust online purchases, while at the same time boosting retail purchases thanks to a renewed appreciation for brick-and-mortar shopping experiences. This might explain the strong consumer sentiment even in the context of increasing prices," Krishnan told Khaleej Times. (Zawya)
- **UAE's national digital economy set to grow $140bn by 2031 -** Dubai Chamber of Digital Economy, one of three chambers operating under Dubai Chambers, has released a report detailing plans to boost the emirate's digital economy. The report projects the national digital economy will reach $140bn in 2031 from $38bn today. The study highlights the importance of the chamber's efforts and collaboration with stakeholders to establish Dubai as the next digital economy capital of the world. The report outlines Dubai's digital economy startups and the emirate's position as a future digital capital. The Chamber's plans include attracting 300 digital startups and 100 tech experts to Dubai by 2024, improving laws and policies, organizing a conference, promoting digital transformation, and enhancing the business environment to attract global digital firms. Omar Sultan Al Olama, Minister of State for Artificial Intelligence, Digital Economy, and Remote Work Applications, Chairman of Dubai Chamber of Digital Economy, said the goal of doubling the contribution of the digital economy to the UAE's GDP from 9.7% to over 20% by 2031 reflects Dubai's ambition to be a key tech hub. He emphasized the importance of building a world-class digital infrastructure and supporting the dynamic startup ecosystem to drive digital transformation and sustainable business growth. Al Olama also stressed the importance of raising awareness about challenges and future trends and highlighting the role of digital transformation in driving sustainable business growth. (Zawya)
- **Abu Dhabi's adds three global tech companies to innovation ecosystem -** The Abu Dhabi Investment Office (ADIO) announced its support for three innovative global companies as the UAE capital's tech ecosystem begins 2023 in expansion mode. ADIO's support of Ubisoft, Insilico Medicine and the Applied AI Company (AAICO) will enhance Abu Dhabi's tech R&D and operational capabilities, building tech talent and infrastructure to spur innovation across sectors. The three companies are at the forefront of innovation in areas including artificial intelligence (AI) and gaming. Ubisoft is a leading creator, publisher and distributor of interactive entertainment and services. Insilico Medicine is a market leader in pharma technology that utilizes AI for rapid drug discovery, synthesis and testing, while AAICO is a UK-based technology company focused on building products to automate and enhance mission critical processes within the health and safety sectors. ADIO is providing comprehensive support and will work closely with each company to pioneer new technology and products in the UAE capital. The new partnerships boost the local innovation ecosystem, with ADIO supporting 12 tech companies over the last 12 months, including Noon, Siemens Energy, Liquidity Capital, Innovaccer and OurCrowd. Abdulla Abdul Aziz Al Shamsi, Acting Director-General of ADIO, said, "Abu Dhabi is starting 2023 as we ended 2022: by welcoming the world's most innovative companies to the UAE capital. The increasing strength and depth of Abu Dhabi's tech ecosystem is a magnet for global innovators who can easily access the talent, networks and markets they need to thrive. ADIO will work closely with Ubisoft, Insilico Medicine and AAICO to develop and commercialize new technology and products in the UAE that benefits the world." Ubisoft, headquartered in France, is one of the largest video gaming companies developing, publishing and distributing video games for consoles, PCs, and mobile. Ubisoft has been in Abu Dhabi for 10 years. The company has already developed, published and marketed several mobile games, with a new mobile game in development, from its gaming studio in Abu Dhabi which is now being established into a "Regional Hub" through its new offices in the Yas Creative Hub. Insilico Medicine is a market leader in pharma technology that utilizes AI for rapid drug discovery, synthesis and testing. Insilico Medicine has developed a full stack proprietary Pharma AI platform to rapidly discover drugs while decreasing R&D costs. Insilico Medicine has had success in delivering a pulmonary fibrosis drug to the clinical trial stage at record speed among other drugs in the pipeline that are in advanced stages of discovery. Insilico Medicine will be establishing its regional HQ in Abu Dhabi focused on R&D for its AI platform. The Abu Dhabi-based team will play a crucial role in patent applications and proprietary IP over the next four years. AAICO is a leading technology company focused on building products to automate and enhance mission critical processes for the health and safety sectors. The company applies its proprietary AI platform to develop targeted machine learning-driven products which automate businesses involving manual or repetitive work, and position them for this new, AI-driven era. AAICO established an ADGM-based entity in 2022 and will relocate its global HQ from London to Abu Dhabi. In 2023, AAICO's international tech leadership team will

help develop Abu Dhabi's talent pool, thereby contributing to the expansion of Abu Dhabi's tech ecosystem and the export of world-class AI products to the UK, North America and Europe. AAICO will also collaborate with Abu Dhabi-based universities, providing a range of tailored knowledge transfer initiatives, hackathons, exchange programs, and internships. ADIO provides a range of support to innovation-led companies in high-growth areas including financial services, ICT, healthcare and biopharma, AgTech, tourism and more. (Zawya)

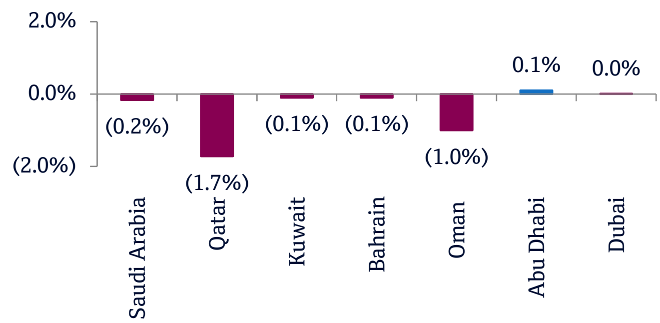
- **AD Ports Logistics unveils new distribution line to support healthcare market -** AD Ports Logistics (ADPL), provider of integrated end-to-end business solutions and a subsidiary of AD Ports Group's Logistics Cluster, has announced the addition of a new distribution business line that will see the company secure exclusive distribution rights for a range of healthcare products. The new business line targets the GCC's fast-growing healthcare and life sciences sector, whose market size is projected to increase at a compound annual growth rate (CAGR) of 4.9% to AED 365.7bn ($99.6bn) in 2023 from AED 316.6bn (US$86.2bn) in 2020. As a distributor licensed by the UAE Ministry of Health and Abu Dhabi Department of Health, ADPL will procure high-in-demand healthcare products, including pharmaceuticals, cosmetics, medical devices, baby products and nutraceuticals from leading manufacturers seeking to access the UAE and GCC markets, and manage end-to-end product storage and deliveries to hospitals, clinics, pharmacies, wholesalers, and retailers. Farook Al Zeer, Chairman, Logistics Cluster, AD Ports Group, said, "The introduction of the distribution business line within our healthcare and life sciences portfolio represents a significant milestone for AD Ports Logistics. The launch expands our integrated healthcare business offering and boosts our position as a one-stop shop for partners requiring business solutions within our free zone or mainland. Our healthcare and life sciences team has a proven track-record of successfully managing logistics for all types of healthcare products, and we look forward to our next phase of growth as the new distributor of choice serving the local and regional marketplace." (Zawya)
- **UAE's leisure sector 'to grow 10% annually through 2027' -** The UAE's leisure and entertainment sector is set to expand by a 9.73% compound annual growth rate (CAGR) through 2027, said Fever, a leading global live-entertainment discovery platform, citing market research firm MarkNtel Advisors. This forecast is attributed to increased collaboration between digital service-providing companies and attraction sites in recent years including Expo 2020. Fever's proprietary technology is contributing to bolstering the entertainment sector, both globally and regionally, and the emerging company explains that the country's innovative leadership in this space will continue spurring significant economic benefits in forms such as travel and tourism. The negative impacts of Covid-19 only reinforced the importance of diversification efforts. Governments in the Mena region have accordingly demonstrated strong support for entertainment in their broader economic transformation strategies to build non-oil sectors and nurture industries with high job creation potential. Qatar was expected to gross $20bn from just the FIFA World Cup, contributing to 13.5% of its Gross Domestic Product (GDP) and creating 1.5mn jobs in 2022. Saudi Arabia's Vision 2030 is fostering similar support for its nation as the country has administered a $64bn investment plan to ensure that its entertainment sector contributes 3% to the Kingdom's GDP by the decade's end while also creating 100,000 jobs for its people. Furthermore, the UAE is striving to see its entertainment industry make up 5% of the country's GDP by 2026 while creating 16,000 jobs. The Middle East is not the only region emphasizing greater importance on entertainment but it is poised to accelerate its recovery with billions of dollars being invested into new or refined entertainment and leisure destinations . As it pertains to the UAE, there has been a rising inclination to build unique destinations that embody futuristic elements, such as the Museum of Future which launched in February 2022. This has opened a gateway for enormous potential which is continually being supported by forward-thinking initiatives. Sheikh Mohammed bin Zayed Al Nahyan recently established a National Media Office to continue nurturing the country's media landscape. The entertainment sector will be a key contributor to realizing this overall objective, as well as its target of attracting 25mn tourists by 2025. (Zawya)
- **Nobu announces new beachfront hotel in Ras Al Khaimah -** Nobu Hospitality has announced plans for a new beachfront Nobu hotel, restaurant and branded residences on Al Marjan Island in Ras Al Khaimah. Marjan, the master-developer of freehold properties in Ras Al Khaimah, has welcomed Nobu Hospitality to its flagship Al Marjan Island. This follows the signing with Enevoria Development, who recently acquired a beachfront plot on Al Marjan Island, to build the project. Enevoria Development will develop a Nobu Hotel and 300 Nobu branded luxury residences that will provide residents and visitors with superior guest services and bespoke amenities. The large-scale project with a total area of 70,000 sq m will also include a spa and fitness facility, swimming pools, and the exclusive Nobu restaurant featuring contemporary Japanese cuisine providing a unique gastronomic experience for guests and visitors. Nobu Al Marjan Island is the second Nobu hotel set to open in the UAE. The upscale hotel is the latest addition to Al Marjan Island's growing portfolio of beachfront hospitality destinations that are welcoming tourists from across the world. The new hotel further boosts the robust hospitality sector of Ras Al Khaimah, which has recorded sustained growth in tourist arrivals in line with the leadership's strategy to promote destination tourism and position the emirate as a global hub, said a statement. (Zawya)
- **Oil-rich Kuwait projects widening $16bn budget deficit -** Kuwait's caretaker cabinet submitted a draft 2023-2024 budget on Tuesday projecting a growing deficit with bigger state spending and lower oil revenues. The budget deficit will swell to five billion Dinars (more than $16bn) for the year starting in April, up from the $10.3bn predicted for the current fiscal year, the finance ministry said. Spending will rise by 11.7% to more than $86bn, with 80% going on civil service wages and public subsidies. Revenues -- 88% of which come from oil -- are projected at around $63.8bn, a 16.9% drop. Oil revenues alone are expected to fall by 19.5%. They were calculated based on a price of $70 per barrel -- lower than last year's prices -- and an output projection of 2.6mn barrels per day. Kuwait, a major oil producer and member of the OPEC cartel, has the Gulf's only fully elected parliament. The draft budget was submitted after the cabinet resigned last week, three months after it was sworn in to fight corruption and manage state finances. It was the third cabinet under Prime Minister Sheikh Ahmed Nawaf al-Ahmed Al-Sabah -- son of the country's 85-year-old ruler -- since he took the helm of the government in August. According to officials, the resignation followed disputes over issues including a debt relief bill that would write off Kuwaiti citizens' personal loans. Lawmakers had been pressing the government to approve the bill but ministers argued it would be a heavy cost to the state. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,928.36	0.3	0.0	5.7
Silver/Ounce	23.73	0.6	0.5	(0.9)
Crude Oil (Brent)/Barrel (FM Future)	84.49	(0.5)	(2.5)	(1.7)
Crude Oil (WTI)/Barrel (FM Future)	78.87	1.2	(1.0)	(1.7)
Natural Gas (Henry Hub)/MMBtu	2.66	(6.7)	(6.0)	(24.4)
LPG Propane (Arab Gulf)/Ton	88.00	(2.8)	(4.3)	24.4
LPG Butane (Arab Gulf)/Ton	115.75	0.8	(1.3)	14.0
Euro	1.09	0.1	(0.0)	1.5
Yen	130.09	(0.2)	0.2	(0.8)
GBP	1.23	(0.3)	(0.5)	2.0
CHF	1.09	0.9	0.5	0.9
AUD	0.71	(0.1)	(0.6)	3.6
USD Index	102.10	(0.2)	0.2	(1.4)
RUB	118.69	0.0	0.0	58.9
BRL	0.20	0.9	0.7	4.1

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,785.00	0.9	(0.0)	7.0
DJ Industrial	34,086.04	1.1	0.3	2.8
S&P 500	4,076.60	1.5	0.1	6.2
NASDAQ 100	11,584.55	1.7	(0.3)	10.7
STOXX 600	453.21	(0.2)	(0.4)	8.2
DAX	15,128.27	0.1	(0.2)	10.2
FTSE 100	7,771.70	(0.2)	(0.4)	6.3
CAC 40	7,082.42	0.1	(0.2)	11.0
Nikkei	27,327.11	(0.2)	(0.4)	5.4
MSCI EM	1,031.50	(1.2)	(1.9)	7.9
SHANGHAI SE Composite	3,255.67	(0.5)	0.2	7.6
HANG SENG	21,842.33	(1.1)	(3.9)	9.9
BSE SENSEX	59,549.90	(0.2)	0.1	(1.0)
Bovespa	113,430.54	1.9	1.2	7.4
RTS	1,001.23	1.4	0.9	3.2

Source: Bloomberg ($ adjusted returns,)*

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