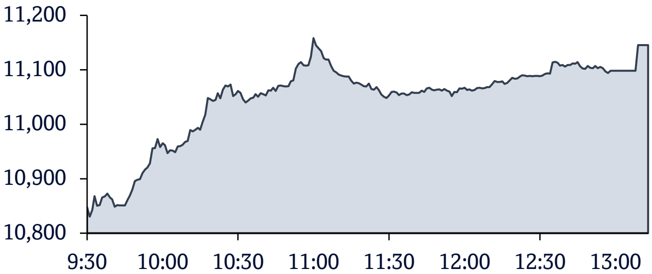
Daily Market Report

Sunday, 08 January 2023

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 2.8% to close at 11,145.3. Gains were led by the Banks & Financial Services and Insurance indices, gaining 4.3% and 2.2%, respectively. Top gainers were The Commercial Bank and QLM Life & Medical Insurance Co., rising 9.9% and 7.1%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Co. fell 5.1%, while Qatar Fuel Company was down 0.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell marginally to close at 10,531.8. Losses were led by the Utilities and Software & Services indices, falling 1.1% and 1.0%, respectively. Alinma Tokio Marine Co. declined 2.3%, while Arabian Internet and Communications Services Co. was down 1.9%.

Dubai: The DFM Index fell 0.4% to close at 3,302.4. The Consumer Staples index declined 2.6% while The Real Estate index fell 0.7%. Shuaa Capital declined 4.8%, while Emirates Refreshment Co. was down 2.6%.

Abu Dhabi: The ADX General Index fell 0.7% to close at 10,130.2. The Health Care index declined 1.0% while The Industrials index fell 0.9%. Fujairah Cement Industries declined 9.9%, while Sharjah Cement and Industrial Development Co. was down 9.6%.

Kuwait: The Kuwait All Share Index gained 0.6% to close at 7,122.0. The Consumer Discretionary index rose 1.7%, while the Industrials index gained 0.8%. National Investments Company rose 9.4%, while Kuwait Cement Company was up 6.7%.

Oman: The MSM 30 Index gained 0.4% to close at 4,868.1. The Services index gained 0.4%, while the other indices ended flat or in red. Sharqiyah Desalination Company rose 8.5%, while Oman Qatar Insurance was up 4.4%.

Bahrain: The BHB Index gained 0.1. to close at 1,892.6. The Financial index gained marginally, while the other indices ended flat or in red. Al Salam Bank rose 1.0%, while Bank of Bahrain and Kuwait was up 0.4%.

Market Indicators	05 Jan 23	04 Jan 23	%Chg.
Value Traded (QR mn)	553.6	351.5	57.5
Exch. Market Cap. (QR mn)	631,930.7	615,974.0	2.6
Volume (mn)	137.9	109.5	25.9
Number of Transactions	20,075	12,491	60.7
Companies Traded	47	46	2.2
Market Breadth	37:6	9:34	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,829.21	2.8	4.3	4.3	12.4
All Share Index	3,592.41	2.8	7.5	7.5	134.5
Banks	4,700.41	4.3	11.6	11.6	14.8
Industrials	3,888.57	1.0	2.8	2.8	10.6
Transportation	4,392.19	1.9	1.3	1.3	14.0
Real Estate	1,590.90	0.7	2.0	2.0	16.9
Insurance	2,198.09	2.2	0.5	0.5	14.8
Telecoms	1,322.37	1.1	0.3	0.3	12.0
Consumer Goods and Services	7,989.73	(0.2)	0.9	0.9	22.2
Al Rayan Islamic Index	4,712.28	1.3	2.6	2.6	8.6

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	5.34	9.9	3,660.9	6.8
Al Ahli Bank of Kuwait	Kuwait	0.33	3.1	984.5	1.9
GFH Financial Group	Bahrain	0.25	2.9	50.0	0.8
Gulf Bank	Kuwait	0.30	2.7	4,672.3	(4.5)
Abu Dhabi National Oil Co. for Distribution	Abu Dhabi	4.55	1.8	8,086.2	3.2

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Tadawul Gr. Holding	Saudi Arabia	178.00	(1.2)	195.0	(1.7)
Riyad Bank	Saudi Arabia	30.70	(1.0)	1,117.8	(3.5)
Qatar Fuel Company	Qatar	18.14	(0.8)	1,227.0	1.1
Sahara Int. Petrochemical	Saudi Arabia	33.45	(0.7)	2,508.1	(1.5)
Rabigh Refining & Petro.	Saudi Arabia	10.96	(0.7)	3,401.7	2.6

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%
The Commercial Bank	5.34	9.9	3,660.9	6.8
QLM Life & Medical Insurance Co.	4.50	7.1	2.3	(6.2)
QNB Group	19.00	4.7	5,731.6	5.6
Qatar Islamic Bank	20.70	4.3	3,496.8	11.5
Dlala Brokerage & Inv. Holding Co.	1.20	4.3	921.2	5.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	1.50	(5.1)	26.9	2.2
Qatar Fuel Company	18.14	(0.8)	1,227.0	1.1
Vodafone Qatar	1.60	(0.7)	1,375.3	1.2
Baladna	1.53	(0.5)	747.5	0.0
Al Meera Consumer Goods Co.	16.20	(0.3)	147.6	2.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	3.33	2.8	23,849.9	5.0
Mazaya Qatar Real Estate Dev.	0.71	0.3	12,290.2	1.3
Qatar Aluminum Manufacturing Co.	1.56	1.6	10,010.1	2.6
National Leasing	0.72	2.1	7,950.6	2.8
Ezdan Holding Group	1.01	(0.3)	7,648.2	0.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.00	4.7	107,475.0	5.6
Masraf Al Rayan	3.33	2.8	78,609.9	5.0
Industries Qatar	13.45	1.1	73,181.1	5.0
Qatar Islamic Bank	20.70	4.3	72,291.3	11.5
Qatar Fuel Company	18.14	(0.8)	22,321.1	1.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	11,145.31	2.8	4.3	4.3	4.3	151.80	172,453.9	12.4	1.5	4.1
Dubai#	3,302.44	(0.4)	(0.4)	(1.0)	(1.0)	28.04	157,179.2	9.3	1.1	3.3
Abu Dhabi#	10,130.21	(0.7)	(0.8)	(0.8)	(0.8)	283.78	690,874.7	18.0	2.9	2.0
Saudi Arabia	10,531.83	(0.0)	0.5	0.5	0.5	981.15	2,604,383.4	15.9	2.1	2.7
Kuwait	7,122.02	0.6	(2.3)	(2.3)	(2.3)	110.38	149,169.3	19.5	1.6	2.9
Oman	4,868.09	0.4	0.2	0.2	0.2	12.76	22,353.6	13.9	1.0	3.6
Bahrain	1,892.60	0.1	(0.1)	(0.1)	(0.1)	1.26	64,787.7	5.2	0.7	5.6

*Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any # Data as of January 6, 2023)*

Qatar Market Commentary

- The QE Index rose 2.8% to close at 11,145.3. The Banks & Financial Services and Insurance indices led the gains. The index rose on the back of buying support from foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- The Commercial Bank and QLM Life & Medical Insurance Co. were the top gainers, rising 9.9% and 7.1%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Co. fell 5.1%, while Qatar Fuel Company was down 0.8%.
- Volume of shares traded on Thursday rose by 25.9% to 137.9mn from 109.5mn on Wednesday. Further, as compared to the 30-day moving average of 103.8mn, volume for the day was 32.9% higher. Masraf Al Rayan and Mazaya Qatar Real Estate Dev. were the most active stocks, contributing 17.3% and 8.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	21.12%	23.24%	(11,726,485.3)
Qatari Institutions	30.29%	36.00%	(31,602,574.5)
Qatari	**51.41%**	**59.24%**	**(43,329,059.8)**
GCC Individuals	0.14%	0.19%	(306,464.5)
GCC Institutions	8.15%	11.00%	(15,751,916.0)
GCC	**8.29%**	**11.19%**	**(16,058,380.5)**
Arab Individuals	9.34%	10.61%	(7,024,783.3)
Arab Institutions	0.00%	0.00%	8,035.0
Arab	**9.34%**	**10.61%**	**(7,016,748.3)**
Foreigners Individuals	2.80%	2.81%	(86,975.1)
Foreigners Institutions	28.17%	16.16%	66,491,163.8
Foreigners	**30.96%**	**18.97%**	**66,404,188.7**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05-01	US	Challenger, Gray and Christmas	Challenger Job Cuts YoY	Dec	129.10%	NA	416.50%
05-01	US	Automatic Data Processing, Inc	ADP Employment Change	Dec	235k	150k	182k
05-01	US	U.S. Census Bureau	Trade Balance	Nov	-$61.5b	-$63.0b	-$77.8b
05-01	US	Department of Labor	Initial Jobless Claims	Dec	204k	225k	223k
05-01	US	Department of Labor	Continuing Claims	Dec	1694k	1728k	1718k
05-01	US	Markit	S&P Global US Services PMI	Dec	44.7	44.4	44.4
06-01	US	Bureau of Labor Statistics	Unemployment Rate	Dec	3.50%	3.70%	3.60%
06-01	US	Institute for Supply Management	ISM Services Index	Dec	49.6	55	56.5
05-01	UK	Markit	S&P Global/CIPS UK Services PMI	Dec	49.9	50	50
05-01	UK	Markit	S&P Global/CIPS UK Composite PMI	Dec	49	49	49
05-01	EU	Eurostat	PPI MoM	Nov	-0.90%	-0.80%	-3.00%
05-01	EU	Eurostat	PPI YoY	Nov	27.10%	27.50%	30.50%
06-01	EU	Eurostat	CPI MoM	Dec	-0.30%	-0.10%	-0.10%
06-01	EU	Eurostat	CPI Estimate YoY	Dec	9.20%	9.50%	10.10%
06-01	EU	Eurostat	CPI Core YoY	Dec	5.20%	5.10%	5.00%
06-01	EU	Eurostat	Retail Sales MoM	Nov	0.80%	0.60%	-1.50%
06-01	EU	Eurostat	Retail Sales YoY	Nov	-2.80%	-3.10%	-2.60%
05-01	Germany	Deutsche Bundesbank	Exports SA MoM	Nov	-0.30%	0.00%	-0.60%
05-01	Germany	Deutsche Bundesbank	Imports SA MoM	Nov	-3.30%	-0.90%	-2.40%
05-01	Germany	Markit	S&P Global Germany Construction PMI	Dec	41.7	NA	41.5
06-01	Germany	German Federal Statistical Office	Retail Sales MoM	Nov	1.10%	1.50%	-2.80%
05-01	China	Markit	Caixin China PMI Composite	Dec	48.3	NA	47
05-01	China	Markit	Caixin China PMI Services	Dec	48	46.8	46.7
07-01	China	National Bureau of Statistics	Foreign Reserves	Dec	$3,127.69bn	$3,150.00bn	$3117.49bn
06-01	Japan	Markit	Jibun Bank Japan PMI Composite	Dec	49.7	NA	50
06-01	Japan	Markit	Jibun Bank Japan PMI Services	Dec	51.1	NA	51.7

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
QNBK	QNB Group	11-Jan-23	3	Due
QIBK	Qatar Islamic Bank	16-Jan-23	8	Due
QFLS	Qatar Fuel Company	18-Jan-23	10	Due
NLCS	National Leasing Holding	18-Jan-23	10	Due

Source: QSE

Qatar

- **Oxford Economics: Qatar fiscal balance to GDP seen at 8.7%; real GDP growth at 2.7% in 2023 -** Qatar's fiscal balance as a percentage of GDP is seen at 8.7% this year, even as researcher Oxford Economics estimates the country's real GDP growth at 2.7% year-on-year (y-o-y) in 2023. The country's current account balance as a percentage of GDP has been estimated at 14.3%. Inflation this year will drop to 2.5% from 4.6% in 2022, Oxford Economics said in a report. In 2021, Qatar recorded an inflation of 2.3%. Last year, Qatar's GDP is estimated to have grown at 5.2% year-on-year while in 2021 it stood at 1.5%, the researcher noted. Fiscal balance as a percentage of GDP was estimated at 9.6%. In 2021, Qatar's fiscal balance as a percentage of GDP was only 0.2%. The country's current account balance last year stood at 17.3% and 14.7% in 2021. Qatar's headline PMI rose slightly to 49.6, indicating the subsiding effects of the FIFA World Cup, it said. Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. Oxford Economics estimates the non-oil economy to lead GCC regional growth, rising by 4% in 2023. The GCC, the researcher estimates will achieve a real GDP growth of 2.9% in 2023, albeit much lower than the 7.3% achieved in 2022. In 2021, the region's real GDP growth stood at 3.1%, Oxford Economics noted. The PMIs for both Saudi Arabia and the UAE eased to 56.9 and 54.2 in December, respectively, owing to slower output and new order inflows, the researcher said. "That said, activity in both economies remained in the expansionary zone, indicating that the outlook remains positive. Job creation in the Kingdom was the strongest in five years, but demand-side inflation inched higher," Oxford Economics said. Oman has formally announced its 2023 budget. Based on an oil price of $55 per barrel, revenues are penciled in at OMR10.05bn, and expenditures are expected at OMR11.35bn. This will move the budget account into a deficit of OMR1.3bn, or 3% of the GDP, after witnessing a surplus of OMR1.15bn in 2022. The government also highlighted that the budget surplus helped reduce the public debt from OMR20.8bn in 2021 to OMR17.7bn in 2022. "We forecast a much narrower gap, which balances expectations of lower oil production than assumed in the budget with higher expected oil price than the budgeted $55. Support for households will be maintained, while further non-oil revenue generating reforms, including the mulled income tax, look set to be delayed," Oxford Economics noted. (Gulf Times)

- **National Leasing Holding to disclose its Annual financial results on January 18 -** National Leasing Holding to disclose its financial statement for the period ending 31st December 2022 on 18/01/2023. (QSE)

- **National Leasing Holding to hold its investors relation conference call on January 22 to discuss the financial results -** National Leasing Holding announces that the conference call with the Investors to discuss the financial results for the Annual 2022 will be held on 22/01/2023 at 01:30 PM, Doha Time. (QSE)

- **Qatar's November inflation rate +5.3% y/y -** Planning and Statistics Authority in Doha has published consumer price indices for November on website. Nov. rate of change in general index +5.3% y/y vs. +5% in prev. month. Prices rose 1.36% m/m vs. 0.36% in prev. month. (Bloomberg)

- **QCB's official international reserves jump by 12.4% -** Qatar Central Bank's (QCB) international reserves and foreign currencies liquidity increased last December by 9.6% on an annual basis, to reach QR230.026bn, compared to QR209.932bn in the same period last year. December recorded a monthly growth of 2.7% compared to November 2022.The figures issued by QBC today, showed an increase in the bank's official international reserves standing at QR 172.092bn by the end of last December, scoring a growth rate of 12.4%, compared to QR153.103 bn in the same period of 2021. QCB's official international reserves recorded a growth of 3.6%, compared to that of November 2022, which at that time amounted to QR166.109bn, driven by a 20.4% jump in the central bank's balances of bonds and foreign treasury bills, equaling about QR131.772bn last December, compared to the level of QR 109.401bn in December of 2021. Official reserves consist of several main components: foreign bonds and bills, cash balances with foreign banks, gold holdings, deposits of special drawing rights (SDR), and the State of Qatar's quota in the International Monetary Fund (IMF). In addition to the official reserves, there are other liquid assets (deposits in foreign currency), so that the two together form what is known as the total reserves. On the other hand, the State of Qatar's balance of SDR deposits in the IMF decreased by the end of December 2022 to QR5.258bn, compared to QR5.518bn in the same period of last year. Balances with foreign banks also decreased to QR 5.469bn at the end of December 2022, compared to a level of QR 26.135bn in December 2021. Gold stocks increased by the end of December 2022 to QR19.591bn, compared to QR12.047bn in December last year. (Peninsula Qatar)

- **Tourism sector to contribute 12% of Qatar GDP by 2030 -** Qatar Tourism has announced a package of plans and programs for 2023, as part of its strategy aimed at strengthening Qatar's position as a leading global tourist destination by attracting 6mn visitors annually and raising the tourism sector's contribution to the gross domestic product (GDP) to 12% by 2030. Among the most prominent programs of the new year is the cruise season, with expectations of more than 100 visits, receiving about 300,000 visitors, the Qatar News Agency (QNA) reported. With the curtain falling on the FIFA World Cup Qatar 2022, Qatar is moving steadily towards the future to achieve its National Vision 2030, which aims to diversify the national economy. The tourism sector comes at the forefront of sectors that enhance this trend by raising its contribution to the GDP from 7% to 12%, in addition to doubling job opportunities, while continuing efforts to enhance Qatar's position as a leading global destination for service excellence. (Gulf Times)

- **Qatar to benefit from 'favorable' energy prices, 'stronger' global demand -** With physical markets expected to tighten further on the back of supply constraints and stronger global demand, energy prices might see further upside, benefiting Qatar – one of the largest global exporters of liquefied natural gas. Middle East's leading bank QNB expects prices to be well supported in a range of between $90 and $115 per barrel over the coming quarters. "On the demand side, after several quarters of negative economic growth de-ratings by analysts and international organizations, there is now scope for a more positive outlook. In fact, we expect stronger than previously anticipated economic growth in all major economies over the next couple of quarters, including in the US, Europe and China," QNB Economics said in a recent report. Qatar's budget surplus is expected to widen to 12% of GDP in 2023 on the assumption that oil and gas prices will remain high, an analysis by regional banking group Emirates NBD has shown. Last year, according to an Emirates NBD estimate, Qatar's budget surplus may have widened to over 10% of GDP. Qatar's budget has benefited from the surge in oil and natural gas prices in 2022, with oil and gas revenues up 67% year-on-year (y-o-y) in the first half of 2022, Emirates NBD said recently. According to the Ministry of Finance, the budget for fiscal 2023 estimated a surplus of QR29bn. The budget has set spending at QR199bn with total revenue of QR228bn next year. Qatar's oil revenue is expected to be QR186bn and non-oil revenue QR42bn this year. Higher revenue projected for 2023 (QR228bn) has been mainly due to the adoption of an average oil price of $65 per barrel for fiscal 2023 in place of $55 per barrel in 2022. Higher budget surplus in the first three quarters of 2022 denotes favorable oil and gas prices, which clearly helps Qatar to manage its assets and debts quite remarkably. Recent data from the Ministry of Finance showed Qatar's financial surplus exceeded QR77bn in the first nine months of 2022 compared to QR4.9bn during the period in 2021. Revenues during the first nine months of 2022 reached QR232.6bn, with QR193.9bn coming from oil and gas, and QR38.6bn from non-oil revenues, exceeding the 2021 total revenue of QR193.7bn. Thrice in the last 10 years, Qatar achieved similarly huge surpluses: 2012 (QR77bn), 2013 (QR106.3bn), and 2014 (QR108.6bn). At a meeting with editors of Qatari newspapers in Doha in December, HE the Minister of Finance Ali bin Ahmed al-Kuwari said Qatar will use its budget surplus prudently by transferring it to a general reserve account in accordance with the provisions of the State Financial System Number 2 of 2015. The surplus, HE the minister said, will be used to prop up the new Financial Stability Fund besides bolstering the Qatar Central Bank reserves and reducing public debt. Recently, researcher FocusEconomics noted Qatar's public debt will decline over the next three years from 39.9% this year to 38.7% of GDP in 2026. Next year, the country's public debt has been estimated to be 40.8% and 39.7% in 2025. Qatar is already the "most highly rated" country (AA) in the GCC region by S&P. Moody's has rated Qatar at 'Aa3' and Fitch at 'AA-' , both top ratings. "Qatar is expected to further improve its ratings on favorable energy prices, abundant resources and prudent fiscal management. Budget surplus will help Qatar retire its debts earlier than expected," an analyst told Gulf Times. (Gulf Times)

- **QCB: Islamic banks report faster credit growth than conventional peers in November -** The credit extended by Islamic banks in Qatar grew faster than that by traditional lenders and the overall loan growth in the banking sector in November 2022 on an annualized basis, according to the Qatar Central Bank (QCB) data. The country's banking sector saw a healthy double-digit expansion in credit extended by foreign Islamic lenders. Moreover, the domestic credit outgo from foreign banks was seen growing faster than that from the local lenders, said the central bank data. The commercial banks in Qatar witnessed an overall 0.69% year-on-year jump credit to QR1.23tn in November 2022. In the case of foreign banks, their total credit shot up 15.47% on an annualized basis to QR17.24bn as domestic loans expanded more than 16% to QR17.16bn in November 2022. The local lenders witnessed a marginal 0.51% growth year-on-year to QR1.21tn in November 2022 as the 1.22% jump in domestic credit was to a great extend masked by an 11% decline in overseas credit. Within the foreign banks, credit from Arab lenders shot up 17.74% on a yearly basis to QR7.5bn and that from non-Arab by 15% to QR9.66bn at the end of November. In the case of Qatari banks, the traditional lenders' credit witnessed a 2.18% shrinkage year-on-year to QR784.23bn; whereas that of Islamic lenders reported a 9.77% increase to QR358.81bn at the end of November 2022. Of the Qatar banks' total domestic credit of QR1.15tn, the bulk of it went to the public sector, which received QR350.86bn or 31% of the total, followed by services QR236.26bn (21%), real estate QR174.11bn (15%), consumption QR165.38bn (14%), general trade QR159.05bn (14%), contractors QR38.56bn (3%) and industry QR21.23bn (2%). In the case of local traditional banks, the domestic credit to public sector amounted to QR277.55bn, followed by services QR178.26bn, general trade QR131.35bn, realty QR102.62bn, consumption QR60.65bn, contractors QR20.68bn and industry QR10.42bn in November 2022. The local Shariah-principled lender's bulk of the domestic credit was directed towards consumption (QR104.73bn), public sector (QR73.31bn), real estate (QR71.48bn), services (QR55.85bn), general trade (QR27.11bn), contractors (QR17.89bn) and industry (QR7.04bn) during the review period. Within foreign banks, the bulk of domestic credit went to general trade, which constituted 35% of the total or QR6.07bn, followed by contractors 18% (QR3.01bn), public sector 15% (QR2.55bn), services 13% (QR2.17bn) and consumption 10% (QR1.79bn) in November 2022. In the case of Arab banks, the domestic credit to general trade stood at QR3.1bn, contractors QR1.71bn and services QR1.11bn in November 2022. The non-Arab banks extended QR2.97bn for general trade, QR2.5bn for public sector, QR1.3bn for contractors, QR1.24bn for consumption and QR1.07bn for services during the review period. (Gulf Times)

- **Qatar's luxury goods estimated at CAGR of 2.55% -** Qatar is considered one of the world's swiftly enhancing nations with millions of trade deals increasing each day. The opulent market in the region holds the majority of stake in the Italian fashion brand Valentino in addition to many other London and Paris-based department stores. With the rise of surging goods sold in the country, a compound annual growth rate (CAGR) of 2.55% is estimated in the coming years, according to data shown by a market intelligence and advisory firm, Mordor Intelligence. The country is also developing by innovating its products and label markets such as luxury fashion outlet QELA contriving Qatar to be the biggest buyer of goods in the Middle East. Various infrastructures instigated in the region have helped the country's economy thrive as many goods were sold in line with FIFA World Cup 2022 and other global events in Qatar. The report says that "Rising funding for the fashion sector in Qatar and increasing disposable income of consumers are major factors propelling the growth of the global Qatari luxury goods market." Over the period, changing the preference of urban consumers for various products like jewelry will enable the luxury goods market to gain profit rapidly in the country as many conveniently opt to buy them online. The market is highly coveted and affluent in the region due to its soaring demand and is divided by several distribution channels including clothing and apparel. "Qatar is increasingly becoming a regional hub for luxury brands with Qatari brands such as global fashion brand QELA and high-end luxury health and beauty boutique store Pharmakeia", the report noted. With several international events in the country, the luxury retail sector has attracted various customers locally and globally. The data said: "Single branded stores are highly influencing the quality-oriented customers in the country with a wide range of single branded quality products making it one of the major retail channels in the market." "The Qatar luxury market is moderately fragmented, with more than 50% of the market taken by many smaller local players tying up with luxury retailers across various sectors such as fashion, jewelry, and other accessories such as eyewear and leather goods," it added. (Peninsula Qatar)

- **Real estate trading volume exceeds QR2bn last week -** The volume of real estate trading in sales contracts registered in the Real Estate Registration Department at the Ministry of Justice from December 25 to December 29, 2022, reached QR2,259,755,864. The weekly bulletin issued by the Real Estate Registration Department stated that the list of real estate traded for sale included vacant lands, residences, residential buildings, multi-use vacant land, residential complex, and a hotel. Sales operations were concentrated in the municipalities of Doha, Al Rayyan, Al Wakra, Umm Salal, Al Daayen, Al Khor, and Al Thakhira. The volume of real estate trading in sales contracts registered in the Real Estate Registration Department at the Ministry of Justice from December 18 to December 22, 2022 reached an amount of QR160,881,300. (Peninsula Qatar)

- **Qatar achieves 70% annual growth in FDI projects between 2019 and 2022 -** Qatar's resilient economy and its steady march towards its national vision 2030 have ensured its investment landscape remains competitive for international companies. The future-ready infrastructure of the country attracts long-term foreign direct investment (FDI) and strengthens their influx. The country is witnessing a significant increase in FDI with more projects attracting international investments. IPA Qatar said in a tweet, recently "Qatar tops FDI Intelligence Standouts Watchlist 2023. Qatar has achieved a 70% annual growth in FDI projects between 2019 and 2022 with most of the FDI projects in 2022 coming from companies in ICT, as well as business and financial services". Qatar ranks first among the world's top destinations for FDI, owing to its strong economic and investment momentum into 2023 and ranks first among the world's top 50 FDI destinations expected to carry the strongest investment momentum into 2023. In 2022 the top sectors for FDI projects were oil & gas, financial services, and software & IT services, it noted. The US and Qatar's commercial ties have continued to flourish with the total economic relationship between the two countries exceeding $200bn and both nations eager to expand trade and investment ties, according to the US-Qatar Business Council (USQBC) report to mark 50 years of partnership between Qatar and the United States. In 2021, the total amount of foreign investments from the US to Qatar amounted to QR895m. In the same year, Qatar boasted substantial investment in several US sectors including an announcement to invest $10bn in US ports in the coming years. Additionally, Qatar increased its investments in the United States with some key investments including US-market leaders AVANGRID and Eat Just, to name a few. An earlier update by IPA Qatar on the Middle East highlighted the FDI Markets data which showed that Qatar attracted 71% of investments into the Middle East in the second quarter of 2022, creating 6,680 jobs across 11 projects and securing investments worth $19.2bn. The top sectors were software and IT, business services, financial services, and coal, oil and gas. (Peninsula Qatar)

- **Qatar and Oman sign MoUs for oil, tourism cooperation -** Qatar and Oman signed minutes of the exchange of ratification instruments of two memoranda of understanding (MoU) in the field of oil and gas, as well as an MoU on tourism cooperation, at the headquarters of the Foreign Ministry of the sisterly Sultanate of Oman. Ambassador of Qatar to Oman H E Shaikh Jassim bin Abdulrahman Al Thani signed the minutes for Qatar, while Undersecretary of Foreign Ministry for Administrative and Financial Affairs HE Mohammed bin Nasser Al Wahaibi signed the minutes for the Omani side. (Peninsula Qatar)

- **'Nakilat committed to safe, reliable energy transportation' -** At the forefront of Qatar's priorities is protecting the environment and supporting sustainable development as sustainability plays a vital role in preserving natural resources for future generations. Eng Abdullah Al Sulaiti, Chief Executive Officer of Nakilat, stated in its magazine Voyages, "If we could describe the past year with one word, it would be 'excellence' the driving force that has established Nakilat as a global leader and provider of choice for energy transportation and maritime services. Nakilat understands the importance of protecting our planet, supporting all measures toward a greener future for the maritime sector. Sustainability plays an essential role in the way we conduct business in an environmentally friendly manner, and we continuously look for ways to operate sustainably as we continue to expand our operations and fleet," he noted. "Customer-centricity is at the core of our business operations. We remain whole-heartedly committed to meeting the need for safe and reliable energy transportation, particularly at a time where this is becoming ever increasingly challenging," he added. Nakilat was ranked 65th out of the "Top 100 Companies in the Middle East" and 7th in Qatar, according to Forbes Middle East's annual ranking of the region's top 100 listed companies. Featuring the largest, most valuable, and profitable companies in the region, the 2022 Forbes Middle East list of companies spans diverse industries, including energy, logistics, real estate and construction, retail, food and beverage, tele-communications, as well as banking and investment, according to the December issue of the magazine. (Peninsula Qatar)

- **QSTP makes positive impact on country's tech ecosystem in 2022 -** Qatar Science and Technology Park (QSTP) a member of Qatar Foundation has made several accomplishments by making a positive impact on the country's innovation and tech ecosystem in 2022. Over the years, QSTP has been driving the development of new high-tech products and services, supporting the commercialization of market-ready technologies, and contributing to the economic diversification of Qatar.QSTP's reputation as a globally renowned technology development hub is evident in the many leading international technology companies and research centers that already call it home. The number of companies in the Park and Free Zone at QSTP has reached 82, according to a video posted on QSTP's official Twitter handle. By building sustained partnerships with industry-leading companies and global conglomerates, QSTP has helped bring international expertise to Qatar, which has successfully contributed to the development, implementation, and commercialization of new technologies, products, and services. The QSTP Incubation Center is a technology-focused program that aims to foster local tech entrepreneurship in Qatar; it has incubated 47 start-ups between 2016 and 2022. Incubation Center is focused on accelerating the establishment and growth of promising tech start-ups through rapid incorporation in the QSTP Free Zone, collaborative co-working space, business facilitation and support services which include access to a network of mentors, access to funding programs, training and prototyping facilities. Home to a booming startup ecosystem, the QSTP offers attractive incentives to young businesses. QSTP's Tech Venture Fund (TVF) supports promising entrepreneurs and innovative startups from Qatar, the region, and globally through their seed and growth capital. Since 2019 it has funded 15 startups. QSTP's Product Development Fund (PDF) has funded 38 local startups and SMEs by the end of 2022. PDF is a cost-sharing fund wherein QSTP provides up to 50% of the total budget as a grant to encourage local startups and SMEs in the private sector to develop products and services relevant to local market needs. The fund promotes new high-tech products and services and supports the commercialization of market-ready technologies. (Peninsula Qatar)
- **'Qatar 2023 budget an incentive for business development' -** The 2023 budget of Qatar has created a conducive environment in the country for existing and new businesses to grow making good use of the enormous opportunities in the country according to an entrepreneur in Qatar. Rusandi Creations Chairman Assaje Nilagedara said the 2023 budget encourages and incentivizes all entrepreneurs especially the new ones to leverage on the vast resources and expand their local and global footprint. "As a company dealing with many sectors we commend the initiatives undertaken by the authorities to steer the country and the economy in the right direction during the current year and the years ahead with sound policies and commitments to accelerate economic development," Nilagedara said. The 2023 budget presented by the Finance Minister HE Ali bin Ahmed Al Kuwari aims at achieving an estimated revenue for the current fiscal year of QR228bn which is a 16.3% increase compared to the last year's budget estimates with an expenditure of QR199bn and a budget surplus of QR29bn. "The company has many plans in the pipeline for 2023 which we have already embarked upon to expand businesses and contribute to the GDP of the state. We will be happy to see more players in Qatar's business arena this year which will create a healthy competition," Nilagedara said adding that the 2023 fiscal plan is a gateway for more foreign direct investments to the country which has been placed high in the global map following the successful completion of a stunning sporting event last year. The company which is into handmaid recycled paper products with hands on designing and production of varied varieties of handmade recycled paper bags, handbags, stationery, batiks and T-shirts is committed towards eco-friendliness while making every effort to minimize hazards to nature. According to a recent report by invest Qatar a circular economy is expected to bring enormous financial, social and environmental benefits to Qatar enabling the State to generate an additional $17bn by 2030.With a circular model, Qatar will generate the additional revenue corresponding to 10% of its GDP, create an estimated 9,000-19 000 jobs by 2030. The report notes that along with Qatar, the rest of the world will benefit immensely if the CE model is implemented correctly. The budget for the current fiscal year has allocated funds of around QR9.8bn on 22 new projects while also curtailing allocations for major projects which is expected to decline by 13.6% compared to 2022 estimates at QR63.9bn with the completion of several infrastructure and strategic projects the latest of which is the expansion of Hamad International Airport prior to the start of the FIFA World Cup 2022.A noteworthy feature of the budget 2023 is the measures taken to streamline expenditure on key sectors. Allocation for health and education sectors has been increased for the current year in line with the state's continued focus on the two sectors. (Peninsula Qatar)
- **Qatar's agricultural output tops 100,000 tonnes in 2022 -** Qatar produced 100,000 tonnes of agricultural produce in 2022, increasing the self-sufficiency rate of the country in vegetables to 46%, an official has said. "Local vegetables production witnessed an increase of over 100% last year compared to 2017, said Director of Agricultural Affairs Department at the Ministry of Municipality, Youssef Khalid Al Khulaifi. Speaking to Qatar TV recently, he said ambition of the Ministry is to increase the local agricultural produce to a certain level of self-sufficiency. "To do so, we have taken a number of measures such as expanding the agricultural season which is from November to May in Qatar because of the climate," said Al Khulaifi. He said that the season is being expanded by ensuring agricultural produce throughout the year with the support of greenhouses. "Since the climate of Qatar is not much favorable to produce vegetables in farms during summer, we have provided suitable environment for growing vegetables through cold houses (shaded facilities with necessary equipment to serve as greenhouse)," said Al Khulaifi. He said that the imported cold houses, which were used after making necessary modification to suite the local climate, have contributed greatly in increasing the agricultural output. "The Agricultural Research Department made partnerships with a number of research intuitions to develop water efficient cold houses for agricultural produce according to the climate of Qatar," said Al Khulaifi. The Director of Agricultural Affairs Department also highlighted marketing platforms provided by the Department to local farms to sell their produce directly to consumers without any middlemen. (Peninsula Qatar)
- **Transportation Master Plan aims to promote non-motorized transport -** The updated land transportation policies, set under Transportation Master Plan for Qatar 2050 (TMPQ), encourage non-motorized transport, including walking, cycling and small-wheeled transport, in order to reduce congestion, pollution levels and promote physical activity. There exist 60 policies for land transportation in TMPQ requiring 287 policy actions, according to Updated Transportation Master Plan for Qatar published by the Ministry of Transport on its website. The policies have been divided under different policy topics. The TMPQ works as a roadmap for investing in land transportation infrastructure and also identifies the frameworks and future orientations for developing the transportation networks nationwide in a way that ensures their integration with land uses, urban development, population growth and meeting the future demand for transportation. The non-motorized policies, under TMPQ land transportation, aim to encourage non-motorized transport, including walking, cycling and small-wheeled transport, in order to reduce

congestion, pollution levels, and promote physical activity and health and environmental benefits. "This includes policies to shift travelers to more sustainable short trip and last mile solutions." (Peninsula Qatar)

- **Budget 2023 strengthens Qatar-US collaborations -** American companies have been key partners in Qatar's development and the levels of public spending in the 2023 budget will certainly increase interest from US companies looking to take advantage of the many projects in the pipeline said US-Qatar Business Council Managing Director and Treasurer of the Board of Directors Mohammed Barakat. He said an impressive 20% of the spending in 2023 has been allocated to the health and education sectors. The health sector will reign in 11% of the total public budget while the education sector will receive nine% of the total public budget. These will be used to expand and develop schools and educational institutions as well as develop healthcare centers and expand the existing health facilities. Both health and education are some of the key areas for collaboration between the United States and Qatar. "Investments in health and education offer a great deal of synergies for both US companies and institutions and Qatar. By partnering with Qatar, US companies and institutions have the opportunity to provide state-of-the-art healthcare technologies and services to the country," Barakat said adding that collaboration between Qatar and the US education sector can provide numerous benefits for both parties. He said by working together, the US and Qatar can share knowledge and expertise, leading to the development of innovative educational programs and approaches. The development of human capital not only will contribute to Qatar's strong knowledge-based economy, but also provide the necessary skilled labor for the many American companies who have established or are looking to establish themselves in the country. (Peninsula Qatar)

- **Demand for commercial properties to grow in 2023 -** Surging investments in Qatar have ensued in developing businesses and real estate demands with the expansion of commercial properties. Increasing projects in the realty realm have added beneficial momentum bolstering the country's economy with several business projects implemented and interests carried out by global investors in one of the most stable middle eastern hubs for doing business, a report by Saakin group said. The real estate agency in its data highlights that the commercial sector will continue to be in demand this year with several international events in sports, business, and tourism. The report says that enhanced cities and areas in Qatar will leave a significant mark in the commercial sector as many individuals across the world will anticipate investing adding that "Many commercial buildings and conceiving projects are the primary interest of investors." As investors are attracted toward the resilient market in the region, the sector is poised to strengthen and will eventually boost its economy. The World Cup that was held last year also skyrocketed the rental cost and the projects were improved with more commercial and investment trades in the country. Companies across the country have been focusing on some of the developed and attractive locations in Qatar including Lusail City, The Pearl Qatar, and West Bay drawing the attention of customers and investors offering affordable prices and other facilities including top-notch infrastructures. The report noted that many of the developed cities in Qatar have lured many investors offering several benefits to the country has to offer with spacious office and residential buildings equipped with various prices. The office rentals in West Bay per sq. m range from QR80 to QR120 per month whereas in Lusail it differs from QR65 to QR 125 per sq m. In Qatar, numerous corporations project steady growth in the commercial real estate market with soaring business projects due to further tourism and business stimulating activities. The report stated that "The demand for commercial real estate properties is increasing because of the developing locations and launching of new projects and luxury properties. There are unique hotels and resorts. Many commercial towers and developing projects are the main attraction for investors." "These trends enhance the power of commercial real estate and activities within Qatar. Moreover, prospective buyers can explore the investment opportunities and potential in exclusive projects and properties. The rental yields are higher during this season. It is also a great challenge for commercial activities and investment ventures," it added. (Peninsula Qatar)

- **Doha among top 30 'World Best Cities' -** Qatar's capital city Doha has been named among the top cities to live in the World Best Cities 2023 rankings by Resonance Consultancy, a leading global advisor on placemaking, branding and marketing for the world's best cities, districts, developments and destinations. According to Resonance Consultancy, it ranks global cities (principal cities of metropolitan areas with populations of more than 1mn) using a combination of statistical performance and qualitative evaluations by locals and visitors in 24 areas grouped into six core categories. Principal cities are defined as the largest city in each metropolitan statistical area. The categories include Place, Product, Programming, Prosperity, People and Promotion. The ranking puts Doha as the 27th Best City in the world to live, work, invest and visit. "Qatar has its sights set on becoming the next tourism hot spot in the Middle East, with Doha as its crown jewel," the report said. "In less than a century, Qatar went from a poor UK protectorate with a dwindling fishing industry to an independent nation that today is the richest state per capita in the world—with booming infrastructure development to match. Doha is top globally for GDP per Capita, Employment Rate and our overall Prosperity category. With shrewd investment of oil wealth, the Qatar Investment Authority is estimated to be worth almost $450bn," it added. Doha placed second in the Middle East and Arab world, behind Dubai, ranked 5th in the world and ahead of Abu Dhabi, ranked 28th. Riyadh ranks 83rd, making four Arab cities in the top 100 World's Best Cities. Among the core indices, it tops in the prosperity category, which measures the economy, income, financial security of its citizens, and innovation. Doha's meteoric infrastructure development, including modern highways, a metro system, universities, the Museum of Islamic Art and the breathtaking new National Museum of Qatar, has made the city a desired destination for tourists. Also, the FIFA World Cup Qatar 2022 showcased architectural masterpieces in stadiums, the Lusail Iconic Stadium, which hosted the final, the innovative Stadium 974 and the Al Bayt stadium. (Peninsula Qatar)

- **Qatar-GCC trade soars to new heights -** The bilateral relations between Qatar and Gulf Cooperation Council (GCC) countries have reached new heights and witnessed a boost in trade. The trade volume between Qatar and GCC (which include Qatar, Kingdom of Saudi Arabia, United Arab Emirates, Oman, Bahrain, and Kuwait) jumped around 85% at the end of third quarter compared to the first quarter of 2022. According to the official figures from the Planning and Statistics Authority (PSA), the trade volume between Qatar and GCC reached QR7.305bn during the first quarter of last year and increased to QR10.114bn during the second quarter. It jumped to QR13.469bn during the third quarter of 2022.The momentum of trade between these countries is so strong that the trade volume during the first three quarters is more than the total trade volume during the entire 2021. The total trade volume witnessed between Qatar and GCC countries was around QR19.12bn during 2021, while it rose to QR30.88bn for the first three quarters of 2022.The economies of GCC countries are growing at a fast pace and are expected to register further boost in trade. The latest edition of the 'Survey of Economic and Social Developments in the Arab Region', released by the UN Economic and Social Commission for Western Asia (ESCWA), states that the region's economy is expected to grow by 4.5% in 2023 and 3.4% in 2024 respectively, despite the repercussions of the COVID-19 pandemic and war in Ukraine. The total exports to GCC in the first, second and third quarters of last year stood at QR5.611bn, 8.732bn and 11.531bn respectively, while the imports during the same period were QR1.694bn, QR1.382bn and 1.938bn respectively. In the third quarter of 2022, the value of Qatar's total exports (including exports of domestic goods and re-exports) amounted to QR138.8bn, showing an increase by QR56.2bn (68%), compared to third quarter of 2021, which amounted total exports of QR82.6bn and increased by nearly QR12.8bn or 10.2% compared to second quarter of last year. There was an increase in total exports in the third quarter of last year on year-on-year basis, which was mainly due to higher exports of mineral fuels, lubricants, and related materials by QR54.2bn (77.1%), chemicals and related products by QR1bn (13.2%), manufactured goods classified chiefly material by QR0.6bn (36.6%), miscellaneous manufactured articles by QR0.4bn (184.2%). On the other hand, decrease was recorded mainly in machinery and transport equipment by QR0.03bn (1.6%), food and live animals by QR0.002bn (7.7%). While the value of Qatar's imports in the third quarter of 2022 amounted to QR31.5bn, an increase of QR6.7bn (27.1%), compared imports of the third quarter of 2021.As Qatar limbers up to host various international events post-World Cup, the country has already become one of the favorite destinations for a large number of tourists outpouring into the country, which sees a vital growth in investments across all Gulf countries. (Peninsula Qatar)

- **'Qatar becomes an ideal choice for all tourists' -** Haya Al Nuaimi, head of Promotion at Qatar Tourism, said: "Qatar has achieved an amazing construction journey over the past few decades and today it is full of countless options that extend across the length and breadth of the country." She added, "Thanks to its modern, world-class facilities, safe environment and family-friendly activities and events, Qatar has become an ideal choice for tourists of all categories and is fully equipped to achieve its goal of receiving 6mn visitors annually by 2030." Qatar aims to triple the number of its visitors by 2030, making it the fastest growing destination in the region, and hosting the final of the FIFA World Cup Qatar 2022 represents a fundamental turning point for the country by announcing its readiness and as an official launch on the global tourism map, and therefore the World Cup carries a double strategic value that will appear. More results in the medium and long term. Hosting the FIFA World Cup Qatar 2022, in which the country welcomed 1.4mn visitors from around the world, is part of the Qatar National Vision 2030, which aims to transform Qatar into a global community and provide a higher standard of living by increasing the size of the economy. The tournament has a reason to attract about 40mn tourists in the coming years, which constitutes a quantum leap in the country's tourism process. (Qatar Tribune)

- **Italian chamber official lauds Qatar's evolving tourism sector -** The successful hosting of the FIFA World Cup Qatar 2022 has helped ensure that the tournament would remain a memorable event "for many years," especially among fans, tourists, and the people of Qatar, an official of the Italian Chamber of Commerce in Qatar has said. According to Palma Libotte, the country's tourism sector is "constantly improving," thus providing stakeholders and players in the industry the opportunity to contribute to its development and growth. The World Cup helped cement Qatar's place in the global tourism map, said Libotte, who noted that the training provided to staff of important sectors across the country, such as transport, services, and hospitality, among others, was a key factor to ensuring that tourists and visitors enjoyed the matches and their stay here. "The training offered to all industry professionals before the FIFA World Cup worked out fantastic and everyone – from the metro stations, bus drivers, restaurants to the hotels and ushers – were all so helpful with the visitors. This was trending on social media and clearly gave Qatar an amazing promotion. "Overall, I am happy to witness this exciting transition phase of Qatar, which is now becoming a popular tourist destination, thanks to all the visibility it obtained from the 2022 FIFA World Cup and to the positive feedback that all the football fans will share in their home countries. Word of mouth is always the best promotion and Qatar won everyone's hearts through the World Cup," Libotte emphasized. Earlier, Qatar Tourism announced an "action-packed" 2023 calendar of activities, which includes the Geneva International Motor Show, AFC Asian Cup, and Formula 1, as well as the Expo 2023 Doha, which is poised as "the second-largest global event in Qatar after the World Cup." (Gulf Times)

- **Qatar's full 2023 calendar seen to boost hypermarket sales -** Owing to a full calendar of events announced by authorities in Qatar this year, stakeholders in the local retail sector, particularly hypermarkets, are projecting robust sales growth for 2023, it is learnt. Only recently, Qatar Tourism and the Qatar Olympic Committee (QOC) announced their respective calendar of events for this year. Events like the Geneva International Motor Show, AFC Asian Cup, Formula 1, and Expo 2023 Doha are expected to draw many tourists to the country. Similarly, sports events lined up this year will also attract many fans and visitors. According to the QOC, Qatar will be hosting 81 events, including 14 major international tournaments in 2023. LuLu Group International regional manager Shanavas P M noted that in anticipation of Qatar's economic growth in the coming period, LuLu opened several stores across Qatar last year, bringing the hypermarket chain's total number of branches to 22. "We are optimistic that we would be able to achieve positive growth in 2023," Shanavas told Gulf Times Saturday. Similarly, Safari Mall procurement manager Rajesh Nair also said Qatar's full calendar events lined up for this year will push growth in the local retail industry. "Qatar has announced a lot of events for 2023, so we are expecting good growth in our sales because of this. To cater to the increasing demand of our customers, we opened new malls in Al Wakra and in the Industrial Area," Nair noted. The influx of tourists and visitors during the FIFA World Cup in December last year had a positive impact on sales in Qatar's retail sector, prompting many stores to expand operations to cater to customer demand. "Our sales in the metro stations were 'superb', especially when fans trooped to the stadiums to watch the matches," Shanavas said, citing LuLu's three temporary convenience stores in the Lusail QNB, National Museum, and Ras Bu Abboud metro stations. Shanavas said World Cup fans mostly bought snacks, beverages, and other food items from LuLu hypermarkets. Shortly before the inaugural kick-off, LuLu Group chairman Yusufali M A led the official opening of Barwa Madinatna in Al Wakra, which catered to the needs of tourists and other visitors living in the Fan Zone, as well as residents of the community and adjacent areas. Nair also said the arrival of FIFA World Cup fans helped push sales during the tournament. But they also pushed demand for a wide range of World Cup-related souvenir items and other goods like perfumes, especially before they left Qatar after the matches. "Aside from official FIFA World Cup Qatar 2022 products, which were sold out, we experienced excellent sales for souvenir products, such as 'I Love Qatar' shirts, small figurines and statues, magnets, and key chains, among other similar items from the fans," he said. (Gulf Times)

International

- **US trade deficit shrinks sharply as imports tumble -** The US trade deficit contracted by the most in nearly 14 years in November as slowing domestic demand amid higher borrowing costs depressed imports. The trade deficit decreased 21.0% to $61.5 bn, the lowest level since September 2020, the Commerce Department said on Thursday. The Percentage decline in the trade gap was the largest since February 2009. Imports tumbled 6.4% to $313.4 bn, with goods dropping 7.5% to $254.9 bn. Consumer goods imports were the lowest since December 2020. The Federal Reserve last year hiked its policy rate by 425 basis points from near zero to a 4.25%-4.50% range, the highest since late 2007. Last month, it projected at least an additional 75 basis points of increases in borrowing costs by the end of 2023. The higher rates have boosted the dollar, which gained 5.4% against the currencies of the United States' main trade partners last year. Dollar strength is making US manufactured goods less competitive on global markets. Monetary policy tightening by global central banks is also eroding demand. Exports fell 2.0% to $251.9 bn, with goods shipments dropping 3.0% to $170.8 bn. But exports of automotive vehicles, parts and engines were the highest since August 2019. A smaller trade deficit contributed 2.86% points to the economy's 3.2% annualized growth pace in the third quarter. Growth estimates for the fourth quarter are as high as a 3.9% rate. (Reuters)

- **ISM Survey says: US service sector contracts in December, price increases slow -** US services industry activity contracted for the first time in more than 2-1/2 years in December amid weakening demand, while the pace of increase in prices paid by businesses slowed considerably, offering more evidence that inflation was abating. The Institute for Supply Management (ISM) said on Friday its non-manufacturing PMI dropped to 49.6 last month from 56.5 in November. It was the first time since May 2020 that the services PMI fell below the 50 thresholds, which indicates contraction in the sector that accounts for more than two-thirds of US economic activity. Outside the COVID-19 pandemic slump, this was the weakest services PMI reading since late 2009. The index is also now below the 50.1 level, which the ISM says over time is consistent with a recession in the broader economy. Economists polled by Reuters had forecast the non-manufacturing PMI slipping to 55.0. The weakness in the services sector came in the wake of another ISM survey this week showing manufacturing slumping for a second straight month in December. The Federal Reserve's fastest interest rate-hiking cycle since the 1980s as it battles inflation is dampening demand across the economy, though the labor market remains resilient. The ISM survey's gauge of new orders received by services businesses fell to 45.2 from 56.0 in November. That was the lowest level since May 2020 and weakest reading since 2009, excluding the collapse during the pandemic. A measure of prices paid by services industries for inputs dropped to 67.6, the lowest since January

2021, from 70.0 in November as supply bottlenecks continued to ease. The survey's measure of services industry supplier deliveries fell to 48.5 from 53.8 in November. A reading above 50 indicates slower deliveries. With a measure of prices paid by manufacturers contracting for a third straight month in December, inflation pressures are likely to continue subsiding, though the labor market will probably determine the future course of monetary policy. (Reuters)

- **US labor market powers ahead, but wage growth loses steam -** The US economy added jobs at a solid clip in December, pushing the unemployment rate back to a pre-pandemic low of 3.5% as the labor market remains tight, but Federal Reserve officials could draw some solace from a moderation in wage gains. Still, the US central bank's fight against inflation is far from being won. The Labor Department's closely watched employment report on Friday also showed household employment rebounding by a whopping 717,000 jobs last month. Recent declines in household employment had fanned speculation that nonfarm payrolls, the main measure of employment gains, were overstating job growth. Labor market resilience, despite the Fed embarking last March on its fastest interest rate-hiking cycle since the 1980s, is underpinning the economy by sustaining consumer spending. It, however, raises the risk the Fed could lift its target interest rate above the 5.1% peak it projected last month and keep it there for a while. The labor market remains resilient but is losing pep and worker shortages remain intense," said Sal Guatieri, a senior economist at BMO Capital Markets in Toronto. "While wage growth has moderated, it's still far from consistent with price stability. Don't look for the Fed to ratchet down its hawkish talk or slow the pace of rate hikes on February 1." Nonfarm payrolls increased by 223,000 jobs last month, the smallest gain in two years, after rising 256,000 in November. Job growth is more than double the 100,000 that economists say the Fed wants to see to be confident that inflation is cooling. Economists polled by Reuters had forecast payrolls increasing by 200,000 jobs, with estimates ranging from 130,000 to 350,000. The economy added 4.5mn jobs in 2022, with employment gains averaging 375,000 per month. President Joe Biden welcomed the jobs report, which he described as "a transition to steady and stable growth that I have been talking about for months." The strong job gains are despite high-profile layoffs in the technology industry as well as interest rate-sensitive sectors like housing and finance. Employment gains last month were led by the leisure and hospitality industry, which added 67,000 jobs. Restaurants and bars as well as amusement parks, gambling and recreation places accounted for the bulk of the increase in hiring. Leisure and hospitality payrolls are 932,000 below their pre-pandemic level. Healthcare industry employment increased by 55,000 jobs. Construction payrolls rose 28,000, despite the housing market collapsing under the weight of higher borrowing costs. Manufacturing employment rose 8,000. There were also gains in transportation and warehousing payrolls as well as retail. Government employment rose 3,000, though a strike by 36,000 university employees in California hurt state government education payrolls, which fell 24,000. But cracks are emerging. Professional and business services fell again, with temporary help, a harbinger of future hiring, dropping 35,000. Temporary help jobs have declined by 111,000 since July. The average workweek dipped to 34.3 hours, the shortest since April 2020, from 34.4 hours in November. Average hourly earnings rose 0.3% after gaining 0.4% in the prior month. That lowered the year-on-year increase in wages to 4.6%, the smallest rise since August 2021, from 4.8% in November. (Reuters)
- **PMI: UK construction activity falls by most since May 2020 -** British construction activity fell last month at its sharpest rate since May 2020, as new orders dried up in the face of rising interest rates and broader cost pressures, a survey showed on Friday. The S&P Global/CIPS Purchasing Managers' Index (PMI) for the construction sector dropped to 48.8 in December from 50.4 in November, well below the average forecast of 49.6 in a Reuters poll of economists and beneath the 50 level that separates growth from contraction. "The UK's construction sector registered a relatively poor finish to 2022, with business activity falling into decline following a three-month growth sequence amid the fastest contraction in new work since the initial pandemic period in May 2020," S&P economist Lewis Cooper said. Britain's construction sector had been performing strongly earlier in 2022, with output up 7.4% in the year to October according to official data. However, Bank of England interest rates have been rising steeply - hitting a 14-year high of 3.5% in December - and house prices have recently started to fall. Major mortgage lender Halifax last month forecast an 8% house price fall for 2023. The construction PMI showed falls in both house building and civil engineering work. The former dropped at the fastest pace since May 2020 while the latter has been declining since July. Commercial projects increased slightly, but overall employment fell for the first time since January 2021, when there were widespread COVID-19 lockdown restrictions. The Bank of England estimates that Britain has entered what is likely to be a shallow but potentially lengthy recession, as surging inflation and the higher interest rates needed to combat it sap consumer demand. The construction PMI's measure of input cost inflation dropped to a two-year low in December but is still well above pre-pandemic levels. Friday's all-sector PMI - which includes services and manufacturing data released earlier this week, as well as the construction number - edged up to 49.0 in December from 48.4 in November but has been below 50 since August. (Reuters)
- **Biggest UK house price fall recorded since financial crisis -** British house prices slid in December, capping the largest quarterly drop since the financial crisis more than 10 years ago, data from mortgage lender Halifax showed on Friday. The average house price fell by 1.5% month-on-month in December, following a 2.4% fall in November and marking the fourth consecutive monthly decline, Halifax said. In quarterly terms, house prices fell 2.5% - the biggest drop since the three months to February 2009. Other gauges of the housing market have also shown a sharp slowdown in the housing market, reflecting rising interest rates and a worsening economy as households suffer increases in the cost of living. Bank of England data on Wednesday showed lenders approved far fewer mortgages than expected in November. "Property prices are likely to continue falling for the foreseeable future," said economist Martin Beck from the EY ITEM Club consultancy, which expects house prices to fall around 10% over the next 12-to-18 months. Halifax expects house prices to drop 8% in 2023 - although it said this would only mean a return to levels last seen in April 2021. House prices surged shortly after the COVID-19 pandemic took hold as temporary tax incentives drove a rush to buy bigger homes with gardens. Halifax said the annual rate of house price growth fell to 2.0% from 4.6% in November, the lowest reading since October 2019. "As we enter 2023, the housing market will continue to be impacted by the wider economic environment and, as buyers and sellers remain cautious, we expect there will be a reduction in both supply and demand overall," Halifax director Kim Kinnaird said. (Reuters)
- **German industrial orders fall more than expected in November -** German industrial orders saw their sharpest drop in more than a year in November on falling foreign demand, decreasing by 5.3% on the month on a seasonally and calendar adjusted basis, the federal statistics office said on Friday. A Reuters poll of analysts had pointed to a 0.5% fall, after a downwardly revised rise of 0.6% in October. Orders from eurozone countries slumped by 10.3% on the month, while those from outside the eurozone fell by 6.8%. This shows how strongly the high energy prices are weighing on the eurozone," said VP Bank chief economist Thomas Gitzel. The development shows that "industry is going through a difficult winter, even though companies' business expectations have improved recently," said the economy ministry. A survey by the Ifo economic institute found that 50.7% of companies in the manufacturing sectors reported problems with material shortages in December, down from 59.3% the month before. (Reuters)
- **China fx reserves rise $11 bn to $3.128tn in December -** China's foreign exchange reserves rose in December, official data showed on Saturday, as the dollar fell against other major currencies. The country's foreign exchange reserves - the world's largest - rose $11 bn to $3.128tn last month, compared with $3.154tn predicted by a Reuters poll of analysts and $3.117tn in November. The Yuan rose 2.8% against the dollar in December, while the dollar last month fell 2.3% against a basket of other major currencies. China held 64.64mn fine troy ounces of gold at the end of December, down from end-November. The value of China's gold reserves rose to $117.24 bn at the end of December from $111.65 bn at end-November. (Reuters)

- **China property set for modest demand recovery in 2023 on policy support -** China's deeply troubled property sector is set to see home sales fall for the second straight year in 2023, but the pace of declines will ease thanks to state support measures and the lifting of the government's strict anti-COVID policies. Property sales are expected to slip by a median of 8% this year, a Reuters survey of eight economists and analysts showed, compared to a slump of around 25% in 2022, as economic activity, household income and consumer confidence are seen rebounding in the second half. Economists and analysts believe policymakers will roll out more support measures to stimulate home demand this year, as part of Beijing's overall goal to bolster the $17-tn economy after a sharp COVID-induced downturn in 2022. Those policies could include further lowering of mortgage borrowing rates and down-payment requirements, as well as relaxing home purchase restrictions in top-tier Chinese cities, they added. (Reuters)
- **China hotels, travel bookings perk up in boon for COVID-hit services sector -** After three years of dealing with some of the world's toughest COVID-19 curbs, there are early signs that Chinese consumers are gearing up to go out and spend again, particularly in major cities and tourist hot spots. Over the three-day New Year's Day holiday, businesses and consumers caught their first glimpse of a return to post-pandemic life holiday makers flocked to beaches, flight numbers ticked up, and hotels turned some guests away because they were fully booked. While the Caixin/S&P Global services purchasing managers' index (PMI) on Thursday showed that the services sector continued to struggle in December, businesses are now hoping that the busy long weekend was a sign that a rebound is on the cards, even if a full recovery will take some time. Looking ahead to the Lunar New Year festival in late January, cinemas are expecting their busiest single day of the year, while the catering industry should manage to take in revenues matching those from 2019. (Reuters)
- **Japan's Nov real wages fall most in 8 years, defying BOJ objective -** Japan reported on Friday its worst real-wage decline in more than eight years, with November data highlighting the elusiveness of the central bank's objective of reinforcing inflation and the economy with sustained rises in workers' pay. The 3.8% annual fall in inflation-adjusted wages heightens the urgency of Prime Minister Fumio Kishida's push for upcoming talks between labor and management to deliver wage hikes that outpace rises in living costs. Japan wants inflation that is led by demand and higher pay, rather than the current cost-push inflation driven by high commodity prices and a weak Yen. Bank of Japan Governor Haruhiko Kuroda has also repeatedly stressed the need for price rises to be accompanied by wage growth. While looking for that, the central bank is keeping its policy ultra-loose. "Regardless of who replaces Kuroda when his term ends in April, wage growth will hold the key to the outlook for monetary policy," said Takeshi Minami, chief economist at Norinchukin Research Institute. (Reuters)

Regional

- **Kamco Invest: Gulf countries record $151.1bn surpluses in 2022 -** Kamco Invest said financial performance of the Gulf countries last year recorded a surplus of about $151.1bn in 2022 but will decline to $125bn in 2023, reports Al-Rai daily. Kamco Invest reported in charts that summarized the most important economic developments in the GCC countries during the past year, under the title "Gulf Countries: 2022 – The Year That Has Elapsed", that the oil price breakeven for Kuwait's budget amounted to $56.7 per barrel in 2022, expecting that it will rise to $57.8 a barrel in 2023, coming in second place in the Gulf with the lowest parity price, after Qatar, whose budget oil price reached $48.1 in 2022 and is likely to reach $49.9 this year. It expects the real GDP of the Gulf countries to grow by about 6.5% last year, with 10.5% of oil output and 4% of non-oil output. of oil output and 3.7% of non-oil output, reports a local Arabic daily. Kamco Invest reported that the value traded on Gulf stock exchanges declined by 13.1% from $790bn in 2021 to $687bn in 2022, while the value traded on the Kuwait Stock Exchange amounted to about 49bn last year, an increase of 9.8% from its level in 2021 of 45bn. The sources explained that the assets of the Gulf banking sector amounted to $2.993tn until September 2022, an increase of 5.69% compared to its level at the end of 2021 of $2.832tn. Kuwaiti banks ranked fourth in the Gulf, with assets amounting to $264bn at the end of last September, recording an increase of 3.53%%, compared to 255bn at the end of 2021. The sources indicated that the total fixed income issuances in the markets of the Gulf countries decreased by about 41%, from $145.5bn in 2021 to $85.8bn in 2022, as Gulf government sukuk issuances fell from 35.3 to 29.5bn, while government bond issuances declined from 33.3 to 16.6bn. Corporate sukuk issues decreased from 22.2 to 16.9bn, and corporate bonds from 54.7 to 22.7bn dollars. (Zawya)
- **World Bank - GCC steps help migrants remit money home -** Employment conditions for migrants were robust for the first months of 2022, boosted by labor shortages in the hospitality and health sectors of high-income countries, while windfalls tied to higher oil prices benefitted the GCC, which boosted demand for migrant labor. Migrants' ability to remit has been protected by GCC countries by ensuring low inflation through direct support measures, a World Bank affiliate said in a report. Employment conditions for migrants were robust for the first months of 2022, boosted by labor shortages in the hospitality and health sectors of high-income countries, while windfalls tied to higher oil prices benefitted the Gulf Cooperation Council (GCC), which boosted demand for migrant labor from South and East Asia, noted The Global Knowledge Partnership on Migration and Development (Knomad), a World Bank initiative. Growth in remittances is expected to fall to 2% in 2023, as GDP growth in high-income countries continues to slow (from a projected 2.4% in 2022 to 1.1% in 2023), further reducing migrants' wage gains in host countries. And downside risks, including a further deterioration in the war in Ukraine, volatile oil prices and currency exchange rates, and a deeper-than-expected downturn in major high-income countries, are substantial. The growth of remittance flows into South Asia during 2023 is expected to slow to 0.7 percent, supported by India, the report said. The year will stand as a test for the resilience of remittances from white-collar South Asian migrants in high-income countries. Higher inflation in the United States accompanied by an economic slowdown will soften remittance flows to India, with growth easing to 4%. The drop in oil prices from $98 to $85 per barrel (2002–03) combined with the decline in economic growth in the GCC will reinforce downward pressure on remittance flows to all South Asian countries. According to the World Bank – Knomad report, remittance costs remained high during the second quarter of 2022, at twice the Sustainable Development Goal (SDG) target of 3%t. According to the World Bank's Remittance Prices Worldwide Database, the global average cost of sending $200 was 6% in the second quarter of 2022, not very different from the previous year. Among developing country regions, the cost was lowest in South Asia, at about 4.1%, while Sub-Saharan Africa continued to have the highest average cost, about 7.8%. Latin America and the Caribbean experienced the largest increase in total average costs, up from 5.6% to 6%, followed by Europe and Central Asia and the Middle East and North Africa. Meanwhile, the average cost of sending remittances to Sub-Saharan Africa, South Asia, and East Asia and the Pacific fell. But remittance costs across many African corridors and for small islands in the Pacific remain above 10%. Banks continue to be the costliest channel for sending remittances, with an average cost of 11% during the second quarter of 2022; while post offices are recorded at 6.5%, money transfer operators at 5.2%, and mobile operators at 3.5%. Mobile operations remain the cheapest type of service provider, but they account for a small part of total transaction volumes (less than 1%). The burden of compliance with anti-money laundering and combating the financing of terrorism (AML/CFT) regulations continues to restrict new service providers' access to correspondent banks. These regulations also affect migrants' access to digital remittance services, particularly for migrants who do not have IDs. Recognizing small remittances as low-risk from the viewpoint of money laundering could increase migrants' access to digital remittance services and promote financial inclusion. That would also increase the access of new money transmitters to correspondent banking services and increase competition in the remittance markets, the World Bank – Knomad report showed. Ends (Gulf Times)
- **Saudi Arabia cuts Feb Arab Light crude price for Asia to 15-month low -** Top crude exporter Saudi Arabia lowered prices for the flagship Arab light crude it sells to Asia to $1.80 a barrel above the Oman/Dubai average, the lowest since November 2021, Aramco (2222.SE) said on Thursday. The price cut - $1.45 a barrel less than the January official selling prices and in

line with market expectations - comes amid global pressures hitting oil prices, which are set for small gains in 2023 as COVID-19 flare-ups in China threaten demand growth and offset the impact of supply shortfalls caused by sanctions on Russia. Four respondents surveyed by Reuters this week had forecast a $1.50 a barrel price cut. The cut also comes as Russia diverts its oil from Europe to Asia, alongside a price cap introduced by the Group of Seven (G7) nations that restricts Russian oil trade using Western financial, shipping and insurance services. Russia became the top crude supplier to both China and India in November, as the Asian countries took advantage of the steep discounts while Western countries eschewed business with Moscow. For other regions, the top oil exporter set its Arab Light OSP to northwest Europe at minus $1.50 a barrel against ICE Brent for February, $1.40 a barrel lower than its price for January. Meanwhile, the OSP to the United States was unchanged from last month at $6.35 versus ASCI for February. (Reuters)

- **Saudi Arabia, ISDB finance economic empowerment program in Yemen -** The Saudi Program for the Development and Reconstruction of Yemen (SPDRY), the Islamic Development Bank Group (ISDB) and the Yemeni government signed Wednesday a tripartite joint cooperation agreement to launch an economic empowerment program with a SAR 7.5mn ($2mn) budget. The Saudi Press Agency reported that the agreement aims to establish a general framework for activating development cooperation in Yemen, addressing challenges related to agricultural production chains, and improving access to markets by addressing current gaps in the trade and production sectors. The Economic Empowerment Program also supports the promotion of sustainable livelihoods in Yemen, job creation, income improvement and strengthening of Yemeni markets. The program's three main pillars include financing e-commerce solutions, providing consultations to develop value chains and technical skills for small and micro enterprises to increase their capabilities and improve resource access to markets, and improving the quality of agricultural products and enhancing their access to markets. (Zawya)
- **Saudi Arabia: New companies law to be in force from January 19 -** Saudi Arabia's Ministry of Commerce and the Capital Market Authority (CMA) unveiled on Wednesday the mechanism for implementing the new Companies' Law, approved by the Council of Ministers on June 28, 2022. The new law, which was published in the official Umm Al-Qura Gazette on July 4, 2022, will come into force on Jan.19, 2023, the Saudi Press Agency reported. The mechanism is an extension of the joint efforts between the ministry and the authority with the objective to achieve integration and harmony in implementing the new law in a way that contributes to achieving its objectives. The ministry and the CMA stated that the new law was approved as per the Royal Decree issued on Dhul Hijjah 1, 1443, which is included in item three of the law as follows: "Regarding the companies that are existing when the law comes into effect - referred to in item 1 of this decree - its conditions will be amended in accordance with its provisions within a period not exceeding two years starting from the date when it comes into force. As an exception to that, the Ministry of Commerce and the Capital Market Authority — each in its own jurisdiction – can determine the provisions contained in it and to which these companies are subject to during that period. The period for adjusting the conditions described in the aforementioned item does not include new companies that are established after the law comes into force. All provisions of the law will apply to it from that date. Also, this period does not cover the provisions as per the Companies Law issued by a Royal decree on Muharram 28, 1437, and it does not include the crimes and violations stipulated in this law and the penalties prescribed in the law for such crimes. The provisions under which companies are given a deadline to amend their status are outlined in articles 36, 52, 61, 158 of the law. As per the provision of Paragraph 1 of Article 68 of the law, companies must apply the aforementioned provision at the end of the term of the current Board of Directors and during the election of a new Board of Directors or after the passing of two years from the date when the law comes into force, whichever is sooner. The provisions that companies must abide by from the date when the law comes into effect are contained in the link: https://mc.gov.sa/ar/mediacenter/News/Pages/04-01-23-01.aspx The ministry and CMA stated that the existing companies do not have the right to take any action or arrange or create any new legal center that is contrary to the law after the law comes into effect. The companies, partners and shareholders can exercise all the rights stipulated in the law from the day it comes into force, taking into account the amendment of the basic laws of companies and their articles of incorporation, if necessary. By implementing the new mechanism, the ministry and CMA are looking forward to contributing to achieving its objectives, which include strengthening the regulatory environment for companies, facilitating procedures and regulatory requirements to stimulate the business environment and attract investment. It also aims at achieving a balance between stakeholders and providing an effective and fair framework to corporate governance, devoting institutional work, contributing to the sustainability of economic entities, attracting local and foreign investments, providing sustainable financing sources, in addition to meeting the needs and requirements of the entrepreneurship sector, and stimulating the growth of small and medium enterprises. The new law will be instrumental in further stimulating and developing the Kingdom's commercial system. (Zawya)
- **UAE's ADNOC allocates $15bn to decarbonization projects -** Abu Dhabi National Oil Company (ADNOC)(ADNOC.UL) said on Thursday it would allocate $15bn to decarbonization projects by 2030. The projects will include investments in clean power, carbon capture and storage (CCS) and electrification, a statement by the company said. ADNOC's board of directors approved in November the acceleration of the company's low-carbon growth strategy and its goal of net zero by 2050. The Abu Dhabi energy group will announce initiatives throughout 2023, including a CCS project, investments in new and cleaner energy solutions and international partnerships, the statement said. ADNOC is committed to reducing its carbon intensity by 25% by 2030. It plans to grow its carbon capture capacity to 5mn tonnes by that year. ADNOC's expansion of its lower carbon energy portfolio will be largely delivered through its stake in Masdar, the UAE's clean energy vehicle. (Reuters)
- **First Abu Dhabi Bank says it had considered making offer for StanChart -** First Abu Dhabi Bank (FAB) (FAB.AD), the United Arab Emirates' biggest lender, said on Thursday it had considered a bid for London-listed Standard Chartered (STAN.L) but was no longer doing so. Bloomberg had earlier reported that FAB had been exploring an offer for Standard Chartered as part of a plan aimed at building an emerging markets bank, driving StanChart shares up as much as 20%. The shares pared gains and closed up 7% following FAB's statement that it was no longer pursuing a potential deal. The Abu Dhabi lender said it had been in "the very early stages of evaluating a possible offer" for the emerging markets-focused bank. Standard Chartered declined to comment on Thursday. "Given StanChart has traded at relatively undemanding multiples for some time, as well as the fact that it has the benefit of a material surplus capital position, it is not surprising that it is seen as a takeover target," said John Cronin, analyst at Goodbody. Practicalities such as regulatory complexities and possible opposition from U.S. authorities to an important dollar clearing bank being taken over, mean any deal would be very hard to pull off in reality, Cronin said. Furthermore, the mooted combination of FAB and StanChart would have been subjected to more onerous capital requirements that would burden the resulting lender, a banking source said. Under United Kingdom and Hong Kong takeover rules, FAB cannot bid for StanChart within the next six months without the consent of the British bank's board, or in the absence of a rival takeover. "Timing is everything and this was, taking a medium-term view, a good time to look at the bank," said Trevor Green, head of UK equities at Aviva Investors, which is a top 20 equity investor in StanChart according to Refinitiv data. "Still, shareholders will not be willing to let the business go without a suitable bid premium." A debt investor in StanChart, who declined to be named, said the development showed there is broad interest in buying strategic assets at low valuations, but such deals were not easy to execute. (Reuters)
- **SEWA to raise Emiratization Percentage in engineering jobs -** Sharjah Electricity, Water and Gas Authority (SEWA) announced an increase in the Percentage of Emiratization in engineering vacancies from the beginning of 2021 to the end of 2022 by 148.97%, as the number of Emirati engineers at the beginning of 2021 reached 98 engineers and rose to 244 engineers by the end of 2022. The authority revealed its plan to raise the Emiratization Percentage to 73% of the total engineering jobs by the end

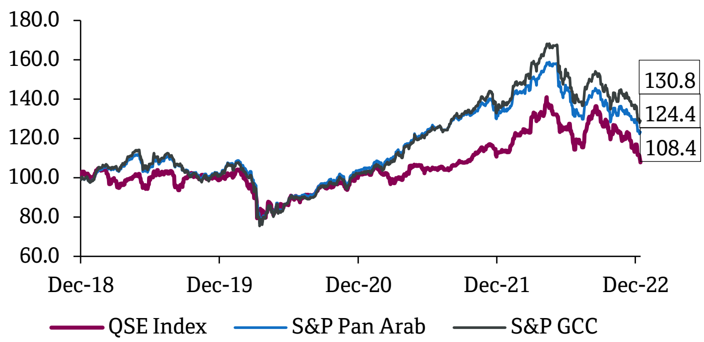
of 2023, as the authority intends to employ 170 jobseekers from the emirate, including 130 national engineers, in addition to 40 administrative jobs. Majid Issa Huraimel Al Shamsi, Director of the General Department of Institutional Support Services at SEWA, confirmed that the authority began implementing a plan to raise the Emiratization rate in engineering jobs since 2021. The current Emiratization rate in engineering jobs reached 64% of the total engineering jobs in the authority. The total number of them are currently 244 national engineers in the authority. The Authority's plan includes that the number of Emiratis in engineering jobs will reach 374, with a rate of 73% by the end of 2023. He added that the directives of H.H. Dr. Sheikh Sultan bin Muhammad Al Qasimi, Supreme Council Member and Ruler of Sharjah, to replace jobs in Sharjah government agencies and to identify categories of employees who will be accepted by the Sharjah Social Security Fund, starting from this January, for them to retire, which will contribute effectively to providing job opportunities for other young citizens—stressing that the authority took the initiative to work on implementing the directives and providing job opportunities for Emiratis in all sectors through new projects that are being implemented. (Zawya)

- **UAE: Emiratization target doubled to 4% for private firms, violators to face stiffer penalties -** The Ministry of Human Resources and Emiratization (MoHRE) aims to double the Emiratization target for private sector by end of 2023 and violations will result in stiffer penalties than now. Companies in the private sector with more than 50 employees had time until December 31 to raise the number of Emirati staff to 2% of the workforce. Non-compliance with this regulation has resulted in Dh72,000 annual fine at the rate of Dh6,000 per month for every Emirati national who has not been appointed by the end of 2022. The ministry has started imposing fines, it announced on Friday. Meanwhile, Saif Al Suwaidi, Undersecretary for Emiratization Affairs at MoHRE, has urged private sector companies to continue the recruitment drive and raise the Emiratization rate to a minimum of 4% by the end of 2023 and avoid a higher fine at the start of next year. According to the ministry, the value of the monthly financial contributions imposed on private sector entities will "increase progressively at a rate of Dh1,000 annually" until the year 2026. The ministry seeks to raise the number of Emiratis at a private sector company to 10% of the total staff by the end of 2026. The ministry provides a package of incentives for distinguished establishments that make qualitative achievements in training and employing Emiratis in line with the objectives of the 'Nafis' program, including joining the Emiratization Partners Club, which raises the establishment's classification to the first category in the ministry's system – which will entitle them to up to 80% discounts for availing the ministry's services. (Zawya)
- **Dubai ranked best place in the world to live, work, invest and visit -** Dubai has been ranked first regionally and fifth best city in the world in the World's Best Cities report 2023 by a leading global adviser in tourism, real estate and economic development. The Resonance Consultancy ranks global cities, i.e., those with populations of more than one million, by using a combination of statistical performance and qualitative evaluations by locals and visitors in 24 areas grouped into six core categories: place, product, programming, prosperity, people and promotion. Dubai was ranked number 1 in the place category, where weather, safety, landmarks and outdoor activities were evaluated. Resonance Consultancy president and CEO Chris Fair pointed out the "torrent of city-building" over the past 24 months in Dubai. The report hailed Dubai as an alluring blend of over-the-top experiences, Arab heritage and luxury shopping. "Dubai is a city of superlatives: you can ride the elevator to the top of the world's tallest building for a bird's-eye view and bet on the ponies at the world's richest horse race," the report said. The landmarks and attractions of Dubai highlighted in the report include Deep Dive Dubai – the world's deepest pool, Dubai Mall, the Burj Khalifa, Museum of the Future, Mohammed Bin Rashid Library, Dubai Creek, The Palm, Ain Dubai, City land Mall, the Aura Sky pool - the world's first and highest 360-degree infinity pool, among others. In the overall rankings across all categories, the top 10 cities are London, Paris, New York, Tokyo, Dubai, Barcelona, Rome, Madrid, Singapore and Amsterdam. For the record, Doha was ranked number 27 followed by Abu Dhabi. While the Qatar capital was number 1 in the prosperity index, the UAE Capital stood fifth. "While Dubai has the world's biggest, tallest and most expensive things, Abu Dhabi is quietly focusing on heritage and a rich cultural tapestry. It invests in bringing artists and creators as guests for residencies and multi-show dates," the report mentioned. In light of the ongoing Russian attack on Ukraine, Kyiv was picked as the honorary world's best city with the Ukrainian capital being termed as the "urban beacon of courage and resilience". Also, Moscow and St Petersburg were dropped from this year's report. Both the cities had finished in the Top 20 last year. To compile a list of 100 best cities, extensive research was conducted on the rise of cities, the key trends propelling their growth and the factors that shape the perception of urban centers as desirable places to live, work, visit and invest in a new global reality. (Zawya)
- **UAE: Ivy League College students express interest in setting up businesses in Emirates -** UAE - Ivy League college students have expressed their interest in setting up businesses in the UAE and understanding what kind of support is offered to start-ups here. This comes after a group of 25 Marketing students from the prestigious business school, the Ivy College of Business from Iowa State University, were the latest to be impressed by the innovation-driven ecosystem of the Sharjah Research, Technology and Innovation Park (SRTIP), which is considered to be one of the region's most dynamic incubation hubs for start-ups. Accompanied by faculty members from the college, the students were visiting the UAE to find out how a global innovation hub develops, promotes, and markets itself. The group evinced keen interest in the UAE and asked questions about setting up a business, the overall business environment and the support offered to start-ups and those new to the region. They hailed the innovations showcased and the levels of support offered to connect start-ups with the right people to grow their businesses and build their networks. Hussain Al Mahmoudi, CEO of SRTIP, says, "SRTIP has been encouraging students from across the world to see at first hand the amazing new innovations being created at this vibrant incubation hub." "This visit and the result feedback from the students from the reputed Ivy College of Business is yet another endorsement of SRTIP's business model and thriving ecosystem that boosts the creativity of innovative minds. Additionally, our close collaboration with the American University of Sharjah attracts many universities to study our model," Mahmoudi added. SRTIP is focused on sparking new innovations by fostering R&D activities through a "triple helix collaboration" of industry, government and academia. The American University of Sharjah with 47,000 students is a key partner in this mission. Some of the newest ideas in making life better for humanity are taking center stage at SRTIP. The suspended sky pods for smart transportation are developing fast, 3-D and additive manufacturing is gaining traction and soon the onsite testing of the world's first electric car from Dutch startup Lightyear will take place. (Zawya)
- **Dubai visitor numbers surge 89% to 23.5mn in 2022 -** Visitor traffic in Dubai nearly doubled last year, with the number of travelers arriving through various ports reaching more than 23.5mn, according to the latest data. During the last 12 months, a total of 23,672,468 passengers arrived through all ports of the emirate, marking an 89% increase compared to the previous year. The bulk of the traffic, totaling 21,817,022, passed through Dubai's airports, while more than 1.6mn passengers arrived through the Hatta Border Crossing and 242,700 travelers entered via the emirate's sea ports, according to a statement on Thursday. On New Year's Eve alone, the emirate saw more than 107,082 visitors, with at least 95,445 travelers arriving through Dubai Airports, 6,527 arriving via Hatta Border Crossing and 5,010 arriving via marine ports. According to research firm Euromonitor, Dubai International was as one of the busiest airports in the world last year. The aviation hub landed the second spot in the Top 100 City Destinations Index 2022. (Zawya)
- **Dubai's Emirates NBD launches $272mn 3-year bond -** Emirates NBD, Dubai's biggest lender, launched a AED 1bn dirham ($272mn) three-year bond on Thursday, according to a document seen by Reuters. The senior, unsecured bond received more than 1.65bn dirhams in orders and was launched at 5.125%. It is expected to price at par later in the day. Abu Dhabi Commercial Bank, Emirates NBD Capital, HSBC and Industrial and Commercial Bank of China Limited (ICBC) were joint lead managers and joint bookrunners for the local-currency issue. (Zawya)

- **Official: Implementation of Dubai Economic Agenda 'D33' to begin immediately -** The implementation of the Dubai Economic Agenda 'D33', launched on Wednesday by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, will commence immediately as per the directives of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, and under the guidance of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, and Deputy Prime Minister and Minister of Finance of the UAE, said Helal Saeed Al Marri, Director General of Dubai's Department of Economy and Tourism. Teams across Dubai's government entities will work in close collaboration with the private sector to achieve the various targets of the Agenda over the next 10 years, Helal Al Marri said. The D33 Agenda paves the way for a new phase of Dubai's development journey driven by ideas, innovation, enterprise and new technologies, he noted. The journey that commenced 17 years ago on 4 January 2006 when His Highness Sheikh Mohammed bin Rashid became the Ruler of Dubai, has catapulted the city into the ranks of world's leading metropolises. The ambitious goals of the Agenda reflect His Highness Sheikh Mohammed's confidence in the Dubai government team's capabilities and the talent and skills of UAE nationals, the DET Director General further said. Helal Saeed Al Marri was speaking at a media meeting organized today by the Government of Dubai Media Office (GDMO). Chief Editors of various local news organizations attended the meeting. During the interaction, the DET chief outlined the detailed plans that form part of the D33 Agenda. The targets outlined in the Agenda represent Dubai's determination to further consolidate its leadership on the global stage, he said. Al Marri further said Dubai's growth as a global economic and business hub driven by its exceptional business-enabling infrastructure has given rise to many remarkable success stories of enterprise and innovation. The next phase of Dubai's journey undertaken as part of the grand vision of HH Sheikh Mohammed bin Rashid with a new set of ambitious goals will further strengthen its status as a city at the forefront of shaping the world's future. "Dubai offers one of the world's most fertile environments for investors and entrepreneurs to flourish. The extensive expertise that Dubai has gained in the course of its remarkable development journey provides a solid platform for the emirate to further raise its competitiveness," he added. During the meeting, Al Marri shed further light on the major targets and goals of the D33 Agenda which will see the implementation of 100 transformative projects. Featuring total economic targets of AED 32tn over the next 10 years, the new Dubai Economic Agenda aims to double the emirate's foreign trade to AED25.6tn and add 400 cities as key trading partners over the next decade. The Agenda also includes a program to support the growth of 30 companies in new sectors to become global unicorns, and integrate 65,000 young Emiratis into the workforce and the private sector. The Agenda also seeks to launch Sandbox Dubai, which aims to make Dubai a major hub for incubating business innovation by enabling the testing and marketing of new products and technologies. Furthermore, the Dubai Traders Project (DT33) will empower a new generation of Dubai traders in various vital growth sectors, driving growth in the city's vibrant trading hub. Al Marri also said the new Dubai Economic Agenda covers various aspects of Dubai's economic future. The D33 Agenda will feature initiatives to enhance the skills of young Emiratis so that they can meet the requirements of the job market of the future. The Agenda seeks to ensure that young Emiratis can receive the highest quality of education in Dubai without the need to leave the country. The Agenda features a project to attract the best international universities as part of the broader aim of making Dubai a global destination of choice for higher education. Al Marri also praised the role of the media as key partners in Dubai's development journey and the instrumental part the sector has played in raising the profile of Dubai's accomplishments and success stories among vital audiences. (Zawya)
- **UAE applies financial contributions to companies failing to raise Emiratization rates -** The Ministry of Human Resources and Emiratization (MoHRE) has announced that it has applied financial contributions to private sector companies for failing to achieve the Emiratization targets stipulated for the year 2022. This is in line with the implementation of the UAE Cabinet's resolution to raise the Emiratization levels of skilled jobs by 2% annually in private sector establishments that have 50 employees effective 2022. The resolution aims to increase the Emiratization rate to 10% by the end of 2026. The value of the financial contributions imposed on establishments amounted to AED72,000 for each Emirati not appointed during 2022. This is calculated at the rate of AED6,000 per month for every UAE national. Saif Al Suwaidi, Undersecretary for Emiratization Affairs at MoHRE, has called on the private sector establishments to abide by the Cabinet's resolution and contribute effectively to raising Emiratization rates in the private sector, which will enable Emiratis to participate in this important sector. He reinforced that this will contribute to enhancing the competitiveness and attractiveness of the UAE job market, stressing the ability of the Emirati cadres to play a positive role in creating a quantum leap in the growth of the targeted vital economic sectors. Al Suwaidi praised the efforts made by the private sector establishments that met the required Emiratization rate for 2022. He expressed the hope that the establishments will achieve the target set for them, and benefit from the skills of the Emirati cadres as part of the 'Nafis' platform across the various specializations of the targeted skilled jobs. He reiterated that the establishments targeted by the Emiratization resolution must work to raise their Emiratization rate by 4% by the end of 2023, to avoid imposition of financial contributions by the beginning of 2024. The value of the monthly financial contributions imposed on private sector entities will increase progressively at a rate of AED 1000 annually until the year 2026. The Ministry provides a package of incentives for distinguished establishments that make qualitative achievements in training and employing Emiratis in line with the objectives of the 'Nafis' program, including joining the Emiratization Partners Club, which raises the establishment's classification to the first category in the Ministry's system – which will entitle them to up to 80% discounts for availing the Ministry's services. (Zawya)
- **Emirates relaunches A380 after interior revamp -** The first Emirates A380 to be completely refurbished under the airline's $2bn retrofit program was deployed on Friday on the Dubai-London Heathrow service, operating as EK003. The retrofit work was done on A6-EVM, the first of 120 Emirates aircraft to have completed its refurbishment. Sir Tim Clark, President of Emirates airline said: "Customers will notice the difference the moment they step onboard – the spacious A380 will look and feel even more impressive and comfortable. With our latest interiors and products, this newly refurbished aircraft elevates our inflight experience in all classes of travel and enables us to offer more premium economy seats to meet customer demand. I'm particularly proud that this refurbishment work was designed, conducted and completed inhouse at our facilities in Dubai, to the highest standards of quality and safety. It reflects the world-class aviation capabilities and infrastructure that exists within Emirates, and here in the UAE." The fully refreshed A380 features Emirates' latest products and interiors across all cabins, including 56 premium economy class seats on the main deck, and new color palettes evident in the carpeting and wall panels. On the upper deck, first and business class seats sport Emirates' latest cream-colored leather upholstery and lighter-toned wood finishing, similar to the airline's 'game changer' product. Emirates' signature ghaf tree motif also features prominently throughout the interiors, including hand stenciled panels in the first-class shower spa. The next Emirates A380 aircraft lined up for its make-over is A6-EUW, and work is expected to be completed by the end of this month. As the program progresses, engineers will work simultaneously on two aircraft. This means that one aircraft in the fleet will be withdrawn from service every eight days and transferred to Emirates Engineering facilities. By 2024, all 67 A380s assigned for refurbishment will have returned to service. Emirates will then begin work on its 53 Boeing 777s earmarked for this project. The airline expects to complete the program in 2025. To deliver the largest known aircraft refurbishment program in aviation history, Emirates recruited 190 new project personnel, and is working with 48 major partners and suppliers who have also hired hundreds of skilled workers. Teams of engineers and technicians have worked round the clock, taking apart the entire interior of the A380 and refitting the parts again in a carefully planned and tested sequence. (Zawya)
- **Google Cloud to support Kuwait's digitization drive -** Google Cloud has formed a strategic alliance with the Kuwaiti government to support digitization efforts across the country's public sector, the company said on Friday. Most Gulf states are investing significantly in digital

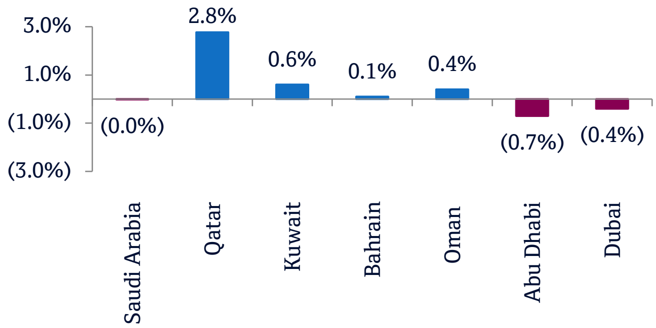
technologies across the government sector to improve efficiency and make public services easier to access online, and as a way to diversify oil-dependent economies. Google Cloud did not provide a value for the agreement with the Kuwaiti government, but said it would encompass digitizing government services, migrating and storing national data securely on the cloud and setting up a national digital skills program. The company aims to invest in a cloud region in Kuwait, its third announced in the Middle East after Qatar and Saudi Arabia, and said it plans to open an office on the ground without specifying a timeframe. There is increasing competition for developing cloud services in the region among international players, with Chinese firms such as Huawei also vying for lucrative government contracts as part of Gulf national economic transformation plans. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,865.69	1.8	2.3	2.3
Silver/Ounce	23.83	2.5	(0.5)	(0.5)
Crude Oil (Brent)/Barrel (FM Future)	78.57	(0.2)	(8.5)	(8.5)
Crude Oil (WTI)/Barrel (FM Future)	73.77	0.1	(8.1)	(8.1)
Natural Gas (Henry Hub)/MMBtu	3.43	(9.0)	(2.6)	(2.6)
LPG Propane (Arab Gulf)/Ton	73.13	0.5	3.4	3.4
LPG Butane (Arab Gulf)/Ton	100.38	0.0	(1.1)	(1.1)
Euro	1.06	1.2	(0.6)	(0.6)
Yen	132.08	(1.0)	0.7	0.7
GBP	1.21	1.6	0.1	0.1
CHF	1.08	0.9	(0.4)	(0.4)
AUD	0.69	1.9	0.9	0.9
USD Index	103.88	(1.1)	0.3	0.3
RUB	118.69	0.0	0.0	58.9
BRL	0.19	2.5	1.2	1.2

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,649.76	2.1	1.8	1.8
DJ Industrial	33,630.61	2.1	1.5	1.5
S&P 500	3,895.08	2.3	1.4	1.4
NASDAQ 100	10,569.29	2.6	1.0	1.0
STOXX 600	444.42	1.2	3.9	3.9
DAX	14,610.02	1.2	4.2	4.2
FTSE 100	7,699.49	0.9	3.2	3.2
CAC 40	6,860.95	2.5	5.3	5.3
Nikkei	25,973.85	1.5	(1.3)	(1.3)
MSCI EM	988.68	0.5	3.4	3.4
SHANGHAI SE Composite	3,157.64	0.8	3.2	3.2
HANG SENG	20,991.64	(0.2)	6.0	6.0
BSE SENSEX	59,900.37	(0.8)	(1.0)	(1.0)
Bovespa	108,963.70	3.5	(0.0)	(0.0)
RTS	942.73	0.2	(2.9)	(2.9)

Source: Bloomberg ($ adjusted returns, Data as of January 6, 2023)*

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