

# WTO upholds ruling on Boeing unfair subsidies

REUTERS  
PARIS

THE World Trade Organisation (WTO) has broadly upheld a ruling that Boeing took billions of dollars of unfair subsidies, breathing new life into an epic trade spat that has already faulted European aid to Airbus, people familiar with the matter said.

The world's largest trade dispute, involving mutual claims of aid to the dominant planemakers, reaches a crucial point on Monday when WTO appeal judges are expected to complete a pair of investigations by publishing their verdict on aid to Boeing.

At stake is whether the world's largest planemakers can continue to benefit from alleged public aid for heavy investment in new aircraft, though analysts say it may be years before the complex

legal processes are finally exhausted.

Monday's ruling, coupled with a parallel case on Airbus that went largely against Europe, could influence the balance of power and timing of any negotiations to end the seemingly endless spat, but there are no signs of any agreement to talk.

The United States is instead pressing for \$7 billion to \$10 billion in annual sanctions in its own case on Airbus. Most trade analysts say that in practice such measures would take years to unfold.

"I think they Boeing can do a lot to disregard the ruling just as Airbus has been able to do an awful lot to disregard any ruling against them," said aerospace analyst Richard Aboulafia of Virginia-based Teal Group.

"I think unfortunately, this process just isn't working in anyone's favour."



A WTO panel ruled last year that Boeing had received at least \$5.3 billion in subsidies through research contracts mainly from space agency NASA as well as a series of tax breaks.

The two sides accuse each other of soaking up billions of dollars in sham contracts and loans, while potential competitors in China, Canada, Russia and Japan are closely

watching the case as they prepare to try to break open the transatlantic duopoly.

A WTO panel ruled last year that Boeing had received at least \$5.3 billion in sub-

sidies through research contracts mainly from space agency NASA as well as a series of tax breaks.

The findings followed a six-year probe into European

Union claims that Boeing had received over four times that amount.

The EU filed the complaint as a counter-suit to US claims that Airbus had benefited from decades of European government loans, which the WTO trade body also deemed unfair.

People on both sides of the dispute, who asked not to be identified, told Reuters the Geneva trade court's appellate body had upheld the bulk of the findings on the Boeing aid.

An advance copy of the ruling has been delivered to both sides but the findings are being held under wraps until Monday.

"It won't change much, but there may be some changes around the edges of the decision," a US source told Reuters. A European source called the ruling a victory for the EU.

The Geneva-based WTO declined to comment.

The report is likely to be adopted by the WTO on March 22.

Even if it loses the appeal, the United States is expected to claim victory over the pair of cases by highlighting what it describes as \$18 billion of European aid provided to Airbus, a figure disputed from the European side.

Airbus, however, will try to keep the focus on the EU's tit-for-tat case against the United States, and it expressed confidence about this part of the dispute on Friday.

"We don't expect any change on fundamentals. It should not surprise us or Boeing. There is no way they can win this case," a spokeswoman said.

A Boeing spokesman said it would not comment on the verdict ahead of the report's publication.

## Commercialbank presents a seminar on Global Markets Outlook 2012



Doha: Commercialbank Capital (COMCAP) presented a seminar titled "Global Markets Outlook 2012" hosted at the Commercial bank Plaza. It was attended by both Retail and Corporate investors.

The seminar focused on the strengths and challenges facing the Qatari economy as well as compared the current and expected valuations that benchmark relevant stock markets and industry segments and several recommendations were presented to investors in Qatari stocks.

In his opening address to the audience, Parvez Khan, General Manager of Com-

mmercialbank Investment Services asserted, "2011 has seen fragmentations in the world order emerge along social and economic fault lines. In particular, the lack of fiscal union in Europe has appeared as a root of the problem in the Eurozone." He added that the environment of slower growth over the next 12 to 18 months should also bode well for inflationary pressures overall, especially in emerging markets.

Meanwhile, Dr. Abdul Aziz Al Ghorairi, SVP and Chief Economist of Commercialbank Capital elaborated on the 2012 outlook for the Qatari economy.

"Qatar is witnessing an economic boom of unprecedented proportions and it has weathered the financial crisis exceptionally well. The sizeable enhancement of liquefied natural gas (LNG) capacity, past government support to the banking system, and increase in infrastructure public spending will help sustain high growth rates in the future," he said.

Mujib Moosa, Discretionary Portfolio Fund Manager at Commercialbank Capital, guided the participants on how to look at the current valuations, recent underlying trends and future forecast for dif-

ferent markets. He emphasised that for several segments of Qatari stocks, earnings do have potential to grow a further 10-15% into 2012. With forward PE multiples for these ranging at attractive 9-10 X and healthy profitability outlook underlined by a sustainable 15-18% ROE, the Qatari stock market can attract increased buying interest over next few quarters. Dividend yields for Qatari companies also ranks amongst the highest within its GCC peers, making it a good complement to the overall portfolio returns. (PR)

## United pulls off record-low financing for Dreamliners

REUTERS  
NEW YORK

UNITED Continental Holdings, set to receive its first Boeing 787 Dreamliner this year, will finance part of the purchase with \$892 million in bonds at record-low interest rates, which some experts say reflects investor confidence in the new plane and the air carrier.

The world's largest airline, formed in a 2010 merger of United Airlines and Continental Airlines and operated under the United name.

The blended interest rate on the debt amounted to 4.38 percent, beating the previous all-time low of 4.88 percent for a similarly structured aircraft deal by Continental in 2010, Cahill said.

"The low rate is truly kind of shocking," he said, noting the troubled history of US airlines and recent tight credit markets.

United Airlines, formerly a unit of UAL Corp, restructured in bankruptcy years before its merger with

from banks to pay for planes. "People would not be lending money at these rates if they didn't think the collateral was there to support it," said Thomas Cahill, Managing Director of Capital Markets and Head of Corporate Solutions at Morgan Stanley.

Credit Suisse and Morgan Stanley led the deal.

The planes technically will be owned by Continental Airlines and operated under the United name.

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United Airlines, formerly a unit of UAL Corp, restructured in bankruptcy years before its merger with

Continental. The airline industry has been battered in the last decade by overcapacity, soaring fuel costs and economic weakness that drained travel demand.

"We don't even think about that bankruptcy from years ago at United Airlines. It's a completely different airline today," said Tom Smith, Managing Director in the Debt Capital Markets Group at Credit Suisse.

United expects to take first delivery of a Dreamliner later this year. The aircraft is the first commercial plane with an airframe made largely of carbon composites. The use of those materials lowers the weight and aids fuel efficiency.

Plane-maker Boeing struggled for years to develop the aircraft and bring it to market, which it finally did in 2011, three years later than planned. Nevertheless, the 787 is a hit among customers, and airlines have placed about 870 orders.

## ABATS stall at QITCOM 2012- a resounding success



Doha: Ali Bin Ali Technology Solutions recently announced that its presence at QITCOM 2012 was a resounding success. As silver sponsors of Qatar's premier Information technology event and exhibition QITCOM, Ali Bin Ali Technology Solutions (ABATS) set up an interactive stall, which drew the interest of many visitors.

In recognition of the giant strides made in technological innovations, which has greatly increased the capability for businesses to be managed on the run, the theme chosen by ABATS for this year's exhibition was "Mobility." ABATS recorded an impressive showing at QITCOM upholding the chosen theme and showcasing the company's leading technology driven, Mobility solution products.

Commenting on the

success of QITCOM Mohammed Al Ebrki, Chief Operating Officer of Ali Bin Ali ICT said, "It has been our pleasure to contribute to the success of QITCOM by being a Silver Sponsor of it. I am especially pleased with how Ali Bin Ali's ABATS stall has been received at the exhibition. The concept of 'mobility' really captured the attention of the many visitors we had to our stall.

In today's world where productivity and performance are key drivers of business, we consider it a privilege to be a leading solutions provider who is focused on introducing state of the art, pioneering technology to Qatar."

"The success of our showing at QITCOM has come out of the strength of our partnerships with international companies in the likes of File Trail and Intelligent Counting. I wish to thank our partners

and state that we are looking forward to working with them to provide cutting edge technology solutions to Qatar," he added.

Hicham El Kik, SME Team Manager guided the media through the stall and described the mobility solutions on display. Whereas Francesco Mascolo, Head of Sales who handles Enterprise Solutions described the enterprise level mobility solutions showcased at QITCOM.

Commenting on their association with Ali Bin Ali, Diana Perry, Managing Director of Intelligent Counting of Redding UK said, "We are delighted with our partnership with Ali Bin Ali. We have discovered here at QITCOM that Ali Bin Ali is a greatly trusted name here in Qatar and we are very pleased to be entering the market here with a partner of that calibre." (PR)

## Teyseer Motors joins hands with Sea Marconi

Doha: Teyseer Motors is joining hands with Sea Marconi to bring world-class energy and environmental solutions to the Qatari market. This was jointly announced by Adel Mannai, President of Teyseer Motors and Vander Tumiatti, CEO and Founder of Sea Marconi on the sidelines of a seminar held by Teyseer Motors and Sea Marconi recently at Shaq Village & Spa.

The Seminar was attended by HE the Ambassador of Italy to Qatar and was well attended by around 120 industry professionals.

"Teyseer Motors has always played a proactive role in bringing industry-leading expertise to the Qatari market. Our decision to join hands with Sea Marconi reflects our commitment to serve the Qatari industry with state-of-the-art solutions. Sea Marconi will definitely fill the existing void in this market for durable and reliable solutions for corrosive sulphur in electrical equipment and insulating fluids," said Adel Mannai, President of Teyseer Motors.

Established in Turin (Italy) in 1968, Sea Mar-



coni today offers technical and technological support in the production and distribution of electric power, heavy industries, services and defence to over 3000 customers in 40 continents. The Company currently has a presence in Italy, France, Spain, Germany and Argentina.

Over the years, Sea Marconi has earned an impeccable reputation as the international leader in the management of fleets of electrical equipment with insulating fluids (transformers, reactors, etc.).

"We, at Sea Marconi, consider it a privilege to be given an opportunity to showcase to the GCC market the technological and technical expertise we have harnessed in the past 4 decades. The solutions that we propose will definitely strengthen the

industrial and technological infrastructure of the Qatari market," said Vander Tumiatti, CEO and Founder of Sea Marconi.

The Seminar, which focused on the best solutions for the problem of Corrosive Sulphur (DBDS) on electrical transformers, brought together industry experts from the Qatari market to discuss the problems faced by the industry due to corrosive sulphur and the long-term solutions provided by Sea Marconi in this regard.

"The unique heritage of Sea Marconi in developing industry-leading solutions in combination with our market knowhow will definitely prove to be a value-addition to the industrial infrastructure of the Qatari market," said Medhat Greiss, General Manager of Teyseer Motors. (PR)

## Gold prices rise on worries about Europe's economy

AP  
NEW YORK

GOLD topped \$1,700 an ounce on Friday as concerns lingered about Europe's financial problems even after strong participation in Greece's bond swap.

Gold for April delivery rose \$12.80 to finish at \$1,711.50 an ounce. Silver also rose 38.1 cents at \$34.212 per ounce. Both metals are considered relatively stable assets during uncertain economic times.

About 84 percent of Greece's private investors agreed to take losses on their bond holdings, erasing about \$130 billion in the country's debt. Greece is now expected to get bailout funding from its neighbors.

However, some investors remain concerned about Greece's ability to emerge successfully from the crisis and what impact it could have on the broader European economy, said Sterling Smith, a market analyst at Country Hedging.

In other trading, investors were hopeful that demand would pick up for industrial metals after India's central bank cut reserve requirements for lenders to keep credit available as the economy slows.