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At the core of our mission is the commitment to provide our discerning readership, composed of C-level executives, Directors, and key decision-makers from medium and large-scale enterprises, with thought-provoking and in-depth insights. Subscribers to our magazine gain access to a wealth of knowledge, ranging from nuanced discussions on banking, wealth management, cryptocurrencies, and fintech to broader explorations of technology, real estate, hospitality, energy, and other pivotal industries. Our editorial content ensures that our readers are consistently informed with cutting-edge analyses, positioning them at the forefront of informed decision-making.

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Readers

Greetings from The Global Economics!

We present to you the 32nd edition of The Global Economics. Despite geopolitical tensions raging across the region, the GCC countries remain committed to development and meeting their growth targets. Saudi Arabia is taking the lead as it inches closer to its Vision 2030. The Kingdom is investing heavily across non-oil sectors, and the gaming industry is one where it has unlocked vast potential.

Saudi Arabia is not the only country diversifying its supply chain. New Zealand is focusing on Māori aquaculture, Japan is developing a robust space program, and China is strengthening its ties with Congo to meet its critical minerals requirement. The global supply chain and, thereby, the geopolitical order is undergoing a shift which will become more apparent in the forthcoming years.

It is no secret that wars are fought for oil. The global energy landscape is witnessing new partnerships, such as Turkey's upcoming Mediterranean gas pipeline and Saudi Arabia's shift toward nuclear energy. The EU and Japan remain committed to their goal of transitioning towards green energy.

In the past two months, the central banks of various countries have laid out financial strategies stretching across cryptocurrencies, stock markets and non-traditional banking. The Central Bank of Uzbekistan has launched an Islamic financing bill to support tech hubs in the country. Australia's Central Bank has taken note of the underwhelming performance of the country's stock exchange, prompting changes. In Japan, the central bank has been pondering over devaluing the yen for months now, and the current economic climate is only making officials more wary of drastic changes.

This edition brings you developments which flew under the radar but still carry much significance within the global finance world. We hope you enjoy reading these articles as much as we have enjoyed curating this issue.

Cheers!

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Ocean Carriers' Move to Logistics

with CMA CGM's \$1.4B ACQUISITION of FedEx Supply Chain

CMA CGM announced on July 1, 2026, that it would buy FedEx Supply Chain for an enterprise value of \$1.4 billion. In an industry that has witnessed multi-billion-dollar terminal and shipping mergers in recent years, the deal is small on its own. Its true importance comes from confirming the path ocean carriers have been taking for the better part of the decade, which is selling control of the entire supply chain, from the factory floor to the front door, rather than just slots on ships.

The third-largest container line in the world, the French shipping company, plans to combine FedEx's third-party logistics division into CEVA Logistics, a separate logistics division of its own. With more than 130 distribution centres spread across North America and more than 40 million square feet of warehouse space, the acquired company can reach 96% of the US population in two days. Nearly 10,000 people work there. After integration into CEVA, the combined North American contract logistics network will grow to about 150 warehouses across more than 240

locations, employing about 20,000 people. This does not represent an incremental growth for CEVA but a tripling of its North American contract logistics footprint, in a single transaction.

Transaction Transcending a Straightforward Sale

The business relationship that underpins this transaction sets it apart from a simple asset purchase. In addition to the sale, FedEx and CMA CGM have reached a multi-year agreement for cooperation in air and ocean freight, which is expected to bring in \$3.5 billion for FedEx over the next ten years. In accordance with the terms, CMA CGM will become FedEx's preferred, albeit non-exclusive, ocean carrier.

The two businesses will also collaborate on air cargo capacity, combining FedEx's air network with CMA CGM's shipping scale to increase aircraft utilisation and provide more flexible long-haul options. These agreements are anticipated to be implemented in stages, between now and 2028.

Organisational structure is important here. In other words, FedEx is trading a logistics division that accounted for less than 2% of group revenue for a ten-year freight partnership with one of the biggest ocean carriers in the world, along with \$1.4 billion in cash. For CMA CGM, securing freight volumes and strengthening business ties with a significant US shipper are just as important to the deal as purchasing warehouses. The deal is anticipated to close later in 2026, as it awaits customary regulatory approvals.

Meeting a \$20 billion Commitment

This move by CMA CGM has been in the works for some time. Chief executive Rodolphe Saadé promised in March 2025 to expand the group's shipping, warehousing, and air cargo operations by investing \$20 billion in the US over four years. Alongside President Donald Trump, whose administration has prioritised the revitalisation of America's maritime and logistics capabilities, that commitment was made in the Oval Office. The FedEx Supply Chain acquisition fits neatly into the warehousing and contract logistics industries, where CMA CGM has stated it hopes to expand, and can be seen as a concrete step toward that commitment. According to Saadé, the agreement strengthens CMA CGM's commitment to long-term investment in the US and as a means of bolstering American supply chains' resilience.

Although those words are popular in Washington, they also represent sound strategic reasoning. The container shipping industry is extremely volatile,

with fluctuations in freight rates having the potential to reduce record profits to thin margins in a single year. In contrast, logistics and contract warehousing typically produce more

stable, fee-based income that is less susceptible to the cyclical nature of spot rates and vessel charter. By expanding that aspect of the business, CMA CGM is better equipped to withstand the next downturn in ocean freight.

CMA CGM's own 2025 results make that cyclicity's scale evident. Even though transported volumes increased by 2.8% to 24.2 million TEU, group revenue dropped 2% to \$54.4 billion for the year, mostly due to a 6.1% drop in maritime revenue to \$34.3 billion. Over the course of the year, average revenue per container decreased by almost 9%. In contrast, logistics revenue remained relatively stable at \$18.3 billion. Contract logistics is an appealing counterweight to a shipping segment that is subject to fluctuations in freight rates because of this kind of stability. This explains why CMA CGM has continued to add to CEVA even in a softer market, as evidenced by its acquisition of Turkey's Borusan Lojistik and an agreement to purchase project logistics specialist Fagioli Group, both of which were finalised or announced within the last year.





FedEx Divests One Non-core Asset

Since chief executive Raj Subramaniam initiated a strategic overhaul in February 2026, reducing operations outside of the core express and ground parcel network, FedEx has been undergoing a larger restructuring, which the sale is part of. FedEx completed the spin-off of its trucking division, FedEx Freight, just one month prior. FedEx Freight Holding is now a separate company. According to Subramaniam, the acquisition will allow the business to focus on higher-value verticals like data centres, healthcare, automotive, and aerospace while continuing to collaborate with CMA CGM via their complementary networks.

The numbers have a sense of symmetry. FedEx acquired Genco Distribution System for \$1.4 billion back in January 2015. This brought one of the biggest third-party logistics companies in North America into the FedEx Ground market. This acquisition marked the beginning of FedEx's development of this business. In headline terms, FedEx is leaving at the price it paid to enter if it sells the unit for the same enterprise value more than ten years later. It is yet unclear how FedEx plans to utilise the proceeds. Some anticipation exists, but those don't point to a concrete answer. It expects buybacks, debt reduction, or reinvestment in its core delivery network, or whether that amounts to a profit or a loss after accounting for ten years of investment and depreciation. FedEx shares fell slightly and traded well below their 52-week high as a result of investors' uninterested reaction to the

announcement. This indicates that markets are still figuring out the value addition for a reduced FedEx. Especially now that they have eliminated both its supply chain and freight divisions. Now, focus shifts to the company's fiscal 2027 first-quarter results, which are scheduled for late October and will be the first report to show the business in its new, simplified format.

Component of an Industry-wide Trend

In this endeavour, CMA CGM is by no means alone. As part of a trend researchers refer to as logistics integration, rivals Maersk and Mediterranean Shipping Company have spent years developing their logistics, terminal, and freight-forwarding capabilities. This is done by using acquisitions to take control of a greater portion of the maritime supply chain, including inland transportation, warehousing, and last-mile delivery.

The appeal is demonstrated by Maersk's own results. The Danish group reported a 12% year-over-year increase in logistics and services revenue in its first-quarter 2026 report. This segment is credited with mitigating the fluctuations that have historically defined shipping company earnings and cushioning softer ocean freight volumes. The logic of competition is simple. Instead of transferring a container between suppliers at each stage of its journey, carriers who also manage warehousing, customs brokerage, and inland transport can provide shippers with a single point of accountability. In addition to giving carriers

more pricing power over higher-margin services and diversifying revenue away from the erratic spot rates that dominate quarterly earnings calls, this increases schedule reliability. Additionally, it raises the bar for logistics-only companies like GXO, Kuehne+Nagel, and DHL Supply Chain, which now have to contend with companies that can subsidise logistics contracts on the scale of a global container fleet.

There is also a demand-side context. The Trump administration's tariff policies, such as the termination of the "de minimis" duty-free exemption that allowed low-value packages from Chinese-affiliated retailers like Shein and Temu to enter the US duty-free, have affected the volume of cross-border e-commerce and, consequently, the demand for freight and last-mile delivery. Compared to a company that is solely focused on slot sales on container ships, carriers are better equipped to handle that kind of policy-driven volatility thanks to their scale and diverse revenue.

What it Implies Moving Forward

The immediate result for shippers is that the distinction between "shipping company" and

"logistics provider" will become even more blurred. A retailer or manufacturer transporting goods from Asian factories to US warehouses will increasingly discover that the final-mile distribution, air freight, customs clearance, and ocean leg can all be handled by a single corporate group under a single business arrangement. This can result in tighter service guarantees and easier contracting, but it also concentrates risk because disruptions at one area of an integrated carrier's network can now affect services that were previously offered by independent, rival businesses.

It is unlikely that the FedEx supply chain agreement will be the last one of its kind. According to CMA CGM's own 2025 data, container shipping earnings are under pressure and ocean freight rates are still far below their pandemic-era highs, so there is still a strong incentive to develop more consistent, service-based revenue. The biggest ocean carriers seem dedicated to a future where shipping a box across an ocean is only one aspect of what they sell, rather than the entirety, whether through additional acquisitions, terminal investments, or increased air cargo partnerships.



JAPAN'S ¥1 TRILLION SPACE BET: BUILDING THE INDUSTRIAL ECONOMY BEYOND EARTH

Japan is entering a new phase of its space ambitions, one in which rockets and satellites are no longer viewed solely as instruments of national research, but as foundations for a wider commercial economy. At the centre of this transformation is the ¥1 trillion Space Strategy Fund, a ten-year programme designed to accelerate private-sector development across space transportation, satellite technologies and exploration. The initiative is part of Tokyo's broader attempt to expand Japan's domestic space market from roughly ¥4 trillion to ¥8 trillion by the early 2030s.

The scale of the ambition is significant. Established in 2024, the Space Strategy Fund gives JAXA a new role as a major technology-funding agency supporting private companies, start-ups and research institutions. Rather than concentrating investment exclusively on government-led missions, the programme is intended to help Japanese businesses develop technologies that can ultimately be commercialised. Its priorities cover launch systems, satellite constellations, communications, Earth observation, exploration and technologies that connect different parts of the emerging space economy.

The fundamental change in Japan's approach is the attempt to create an industrial ecosystem rather than simply finance individual missions. JAXA's published programme includes projects involving small synthetic-aperture-radar satellites, multi-purpose satellite constellations, optical communications, high-resolution Earth observation and advanced launch technologies. Such investments could create demand for components, sensors, software, data-processing systems, communications infrastructure and specialised manufacturing on the ground.

That matters because the economic value of space increasingly sits beyond the rocket itself. Satellites can generate commercial data for agriculture, logistics, insurance, disaster management, infrastructure monitoring and environmental analysis. Japan is already seeing examples of this transition. In September 2026, the Japan Meteorological Agency began operational use of data from the latest sensor aboard the IBUKI-GW satellite, while satellite-derived information has also begun supporting commercial applications such as retail demand forecasting.

The opportunity therefore extends from orbital hardware to a much larger data economy. If Japanese companies can build competitive satellite platforms and then sell the information and services generated by them internationally, the government's investment could have an economic multiplier well beyond the original ¥1 trillion. Earth observation is emerging as one of the most commercially promising areas. Japanese companies are developing increasingly sophisticated satellites capable of monitoring land, infrastructure, agriculture and natural disasters. Synspec, for example, is expanding its StriX synthetic-aperture-radar constellation, with the company targeting a 30-satellite network. On 2 September 2026, another Japanese StriX satellite was successfully placed into low Earth orbit by Rocket Lab from New Zealand.

The significance lies in the business model. SAR satellites can collect imagery during the day and at night and are capable of operating through cloud





cover, making them useful for applications where conventional optical imagery has limitations. As Japan faces earthquakes, flooding and other natural hazards, satellite information can become part of critical infrastructure rather than simply a scientific resource. The Space Strategy Fund is also supporting technologies designed to expand satellite communications. JAXA's programme includes optical communications, satellite formation flying and advanced low-Earth-orbit systems. Such capabilities could eventually support higher-capacity networks connecting satellites with one another and with terrestrial infrastructure.

Yet Japan's space ambitions face a fundamental commercial problem: satellites need affordable and dependable access to orbit. This is where private launch companies become crucial. Japan has traditionally relied heavily on government-backed launch infra-

structure and the H3 programme. JAXA describes H3 as the country's new mainstay launch vehicle, and the rocket remains central to Japan's independent access to space. At the same time, Tokyo wants private companies to develop commercially viable launch services capable of responding more flexibly to the rapidly expanding satellite market. The challenge is visible in the experience of Space One. Its Kairos rocket suffered a third consecutive launch failure in March 2026, with the vehicle being terminated roughly 69 seconds after lift-off. Reuters reported that the setback left Japan without the commercial launch capability it had been seeking to establish through the company.

The setback does not necessarily invalidate Japan's private-launch strategy, but it demonstrates how difficult the transition from government-supported aerospace engineering to a repeatable commercial

launch business can be. Rocket development requires substantial capital, complex supply chains, rigorous testing and a high launch cadence. Customers also need confidence that satellites will reach orbit on schedule. Space One is not Japan's only private-sector experiment. Interstellar Technologies is developing its own orbital launch ambitions, while companies such as Astroscale are pursuing businesses that exist entirely within the emerging orbital economy. Astroscale is developing technologies for satellite servicing, inspection and debris removal, positioning itself around the idea of a more sustainable space environment. This diversification could become one of Japan's most important advantages. A mature space industry does not depend upon one successful rocket company. It requires launch providers, satellite manufacturers, software developers, ground-station operators, insurers, financiers, data companies and specialist engineering firms. Japan already possesses

many of the industrial capabilities required for such an ecosystem. Its established strengths in electronics, precision manufacturing, robotics, materials science and automotive engineering provide a potentially valuable industrial base for advanced space systems.

Space is also becoming part of Japan's broader economic-security strategy. In June 2026, the government outlined an economic blueprint involving public and private investment of more than ¥370 trillion across 17 strategic sectors through fiscal 2040, with space included alongside areas such as artificial intelligence and semiconductors. This places the ¥1 trillion Space Strategy Fund into a wider industrial-policy framework. Space technologies increasingly overlap with communications, navigation, computing, artificial intelligence, defence, climate monitoring and advanced manufacturing. A stronger domestic space industry could therefore contribute to capabilities in several other sectors simultaneously.

However, Japan must balance this ambition against significant fiscal pressures. The country continues to carry one of the highest public debt burdens among advanced economies, while borrowing costs have risen. Reuters reported in September 2026 that Japan's 10-year government bond yield had reached a three-decade high of 3.025%. This makes the effectiveness of government investment increasingly important: long-term industrial programmes must generate technological and commercial returns rather than simply increase public expenditure.

Japan's stated objective of expanding the domestic space market to ¥8 trillion by the early 2030s would require sustained private-sector participation. The ¥1 trillion fund can provide an important foundation, but public money alone cannot create a durable commercial industry. The next stage will depend on whether supported technologies move successfully from research programmes into products, contracts and recurring revenues. Satellite operators will need international customers. Launch companies will need reliable flight records and competitive prices. Space-data businesses will need applications capable of generating predictable commercial demand.

IS GAMING WEALTH TURNING SAUDI ARABIA INTO A GLOBAL CREATIVE POWERHOUSE?

Saudi Arabia has made its biggest statement yet in the global video-game business. On 4 August 2026, a consortium led by the Kingdom's Public Investment Fund (PIF) completed its \$55 billion acquisition of Electronic Arts (EA), taking one of the world's best-known game publishers private in what became the largest leveraged buyout on record. PIF owns about 93.4% of the new private company, with Silver Lake and Affinity Partners holding the remainder.

For Saudi Arabia, however, this is about far more than owning a famous gaming company. EA brings global franchises including Battlefield, The Sims, Madden NFL and EA Sports FC, alongside decades of development expertise, intellectual property and international distribution. The bigger question is whether the acquisition can help the Kingdom move from being one of gaming's biggest investors and consumers to becoming a genuine global centre for game creation. That distinction will determine

whether Saudi Arabia's gaming ambition becomes a lasting business success or simply one of the world's most expensive technology investment stories.

Gaming sits comfortably within Saudi Arabia's broader Vision 2030 economic diversification programme. The Kingdom has been deliberately reducing its dependence on oil by investing in tourism, sport, entertainment, technology and other industries capable of creating new sources of economic growth. Gaming is particularly attractive because it combines technology, media, intellectual property, consumer spending and youth culture. Saudi Arabia's National Gaming and Esports Strategy aims to establish 250 gaming companies, create more than 39,000 jobs and generate around SAR50 billion, or approximately \$13.3 billion, in direct and indirect GDP contribution by 2030.

The ambition is therefore considerably larger than buying overseas publishers. Riyadh wants an ecosystem capable

of producing studios, developers, publishers, esports businesses, technology companies and globally recognised intellectual property. PIF's gaming vehicle, Savvy Games Group, has become the main engine of that strategy. Established in 2021, Savvy has built an international portfolio spanning game development, publishing and esports. Its holdings include Scopely and ESL FACEIT Group, while its wider investment strategy has created exposure to some of the most important businesses in the global games market.

The \$4.9 billion acquisition of Scopely in 2023 was an important early milestone. Scopely subsequently bought Niantic's gaming business, including Pokémon GO, for \$3.5 billion in 2025, giving Saudi-backed gaming operations access to another globally recognised franchise and a player base extending across hundreds of millions of users. The acquisition of Moonton from ByteDance has pushed that expansion further. The developer behind Mobile Legends: Bang Bang was agreed to be sold to Savvy in 2026, in a transaction reportedly valued at more than \$6 billion. Mobile Legends has an especially strong presence across Southeast Asia, giving Saudi Arabia a major foothold in one of the world's most important mobile-gaming regions.

The EA transaction is fundamentally different from buying a minority stake in a listed gaming company. Saudi Arabia now has direct ownership of a global publisher with enormous commercial reach. EA has spent decades developing relationships with players, developers, sports organisations, advertisers and platforms. Its franchises have become entertainment brands rather than simply individual games. EA Sports FC, Madden NFL, Battlefield and The Sims provide something that money alone cannot easily manufacture: established global audiences.

That gives Saudi Arabia an opportunity to accelerate its gaming ambitions through an existing international platform. Instead of spending years building a publisher from scratch, the Kingdom can learn from one of the industry's most experienced organisations while potentially connecting international expertise with Saudi Arabia's emerging domestic ecosystem. EA's new private ownership could also give management greater freedom to pursue longer-term investment without the same quarterly pressure associated with being publicly traded. EA itself said following the transaction that the new ownership structure would provide long-term capital and strategic support for its next phase of growth.

Yet ownership does not automatically create innovation. The gaming industry is notoriously unpredictable. A blockbuster franchise can generate billions, but even major publishers regularly experience failed launches, changing consumer preferences and expensive development cycles. A government-backed investor can provide capital, but it

cannot guarantee the next global hit. That is where Saudi Arabia's domestic strategy becomes much more important.

The Kingdom's real test will be whether investment eventually translates into Saudi-developed intellectual property. This is already becoming a central part of the strategy. PIF says the National Gaming and Esports Strategy is designed to create a wider ecosystem in Saudi Arabia, while projects such as Qiddiya's Esports and Gaming District are intended to establish physical infrastructure for developers, players, events and entertainment businesses. The district aims to attract millions of visitors annually and support the development of leading game companies.

The opportunity is substantial. Saudi Arabia has a young population, rising digital consumption and significant purchasing power. It also occupies a strategically useful position between Europe, Asia and Africa. But a successful domestic gaming industry needs more than consumers and capital. It requires programmers, designers, artists, writers, producers, animators, sound specialists, data scientists and experienced studio executives. It needs universities and training programmes capable of developing those skills. Most importantly, it needs creative environments where developers can experiment and fail without every project being expected to become a global blockbuster.

Saudi Arabia has set itself a target of creating 39,000 jobs by 2030. The challenge now is ensuring that those jobs form a sustainable professional ecosystem rather than being concentrated around events, administration and investment management.

Saudi Arabia has another advantage: it has already established itself as a major destination for esports. The Kingdom has invested heavily in tournaments, facilities and competitive gaming. The Esports World Cup has helped Riyadh become a highly visible location on the international gaming calendar, while Saudi Arabia is also scheduled to host the inaugural Olympic Esports Games in 2027.

This creates an important commercial flywheel. Large tournaments attract players and audiences. Audiences





attract sponsors. Sponsors support teams and organisers. Teams create communities, while communities create demand for games, merchandise, streaming and digital entertainment. If Saudi Arabia can connect that esports infrastructure with locally developed games, the economic impact could become considerably larger. The Kingdom would no longer simply be the place where global games are played. It could become the place where games are created, published, promoted and monetised.

The scale of Saudi Arabia's investment inevitably brings scrutiny. PIF has committed tens of billions of dollars to gaming, with Savvy's strategy backed by a reported \$38 billion investment mandate. That financial strength gives Saudi Arabia an unusual ability to compete for global assets, but it also raises questions about returns and long-term sustainability. Gaming is not an industry where capital guarantees success. Microsoft, Sony, Tencent and other global giants have spent years building studios, platforms and intellectual property. Competition for talent is intense, while development costs continue to rise.

There is also the reputational challenge. Saudi Arabia's growing influence in gaming has attracted criticism from human-rights organisations and sections of the gaming community, with opponents arguing that investments in entertainment can improve the Kingdom's international image without resolving wider concerns. That controversy could remain a commercial consideration for companies, creators and audiences working with Saudi-backed businesses.

For EA, the ownership transition also creates questions about creative strategy. Industry observers have warned that the pressure to prioritise major franchises could encourage an increasingly conservative approach to game development. The strongest outcome for Saudi Arabia would therefore not be simply extracting more value from EA's existing brands, but using the company's capabilities to encourage innovation across the wider ecosystem.

Saudi Arabia's gaming strategy is ultimately an experiment in converting financial capital into creative capital. Buying EA gives the Kingdom global reach. Scopely provides a powerful mobile platform. Moonton expands its presence in Asia. ESL FACEIT strengthens esports. Qiddiya provides physical infrastructure. The National Gaming and Esports Strategy supplies domestic targets. The pieces are beginning to resemble an integrated industry rather than a collection of unrelated investments. But the decisive achievement will come when a game created in Saudi Arabia becomes globally successful without relying primarily on Saudi funding, Saudi audiences or Saudi events.

That would represent the real transformation. The \$55 billion EA deal has made Saudi Arabia one of the most powerful financial forces in gaming almost overnight. Turning that financial power into creative influence will take considerably longer. By 2030, the Kingdom may have the studios, infrastructure, talent and international networks required to become a genuine gaming powerhouse. For now, Riyadh has bought a seat at the industry's top table. The next challenge is proving that it can create something the rest of the world wants to play.

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FROM HARBOUR TO HORIZON: NEW ZEALAND'S \$300M SALMON SURGE AND THE RISE OF MAORI AQUACULTURE

New Zealand's aquaculture industry is entering a new phase. For decades, the country's seafood reputation has been built around premium mussels, oysters and King salmon, but the next chapter could be written much further offshore. The approval of a major open-ocean salmon farm near Rakiura/Stewart Island has turned a long-discussed opportunity into a potentially transformative commercial proposition, while Māori-owned seafood businesses are increasingly positioning themselves to capture more of the value created by aquaculture.

The timing is significant. New Zealand's aquaculture sector generated about \$650 million in export revenue in 2025, while the Government has set an ambitious target of lifting the industry to \$3 billion in annual revenue by 2035. The most dramatic development came in August 2026, when the New Zealand Government fast-tracked approval for Ngāi Tahu Seafood Resources' Hananui Aquaculture Project off Rakiura/Stewart Island. Once fully operational, the project is expected to produce 14,400 tonnes of salmon a year, generate more than NZ\$310 million in sales and create an estimated 415 to 480 regional jobs. The Government describes it as the first aquaculture project approved through the Fast-track process.

That figure alone explains why the project matters. A single farm could generate more than \$300 million in annual sales, almost matching the scale suggested by

the emerging "\$300m-plus" salmon opportunity. More importantly, it demonstrates how open-ocean farming could change the economics of New Zealand's salmon industry.

New Zealand's geography gives aquaculture an unusual advantage. The country possesses an enormous Exclusive Economic Zone, while its reputation for clean waters and premium food production gives its seafood exporters a strong international proposition. New Zealand Trade and Enterprise identifies more than 4.3 million square kilometres of exclusive economic zone and around 11,000 hectares of open-ocean space already consented for aquaculture. It also sees potential for King salmon production to rise from roughly 15,000 tonnes to more than 70,000 tonnes annually.

Open-ocean farming is not simply about finding more water. It is a response to the physical limitations of traditional coastal farming. New Zealand King Salmon's Blue Endeavour project, approved in 2024, is designed for exposed waters in Cook Strait and has a planned capacity of 10,000 tonnes of Chinook salmon. The company sees deeper, cooler waters as an important route for future expansion.

Hananui takes that proposition considerably further. Its projected 14,400-tonne output illustrates the scale that could become possible when aquaculture moves beyond the constraints of sheltered farming locations. The commercial prize is particularly attractive because



New Zealand specialises in King, or Chinook, salmon rather than competing head-on with the enormous global Atlantic salmon industry. King salmon represents less than 1 per cent of worldwide salmon production, but New Zealand's premium positioning allows producers to target higher-value markets rather than relying purely on volume.

The Hananui project is commercially important for another reason: it places Māori enterprise at the centre of New Zealand's next aquaculture expansion. Ngai Tahu has long pursued a stronger role in marine farming. A 2021 Southland aquaculture settlement transferred 16.6 hectares of aquaculture space off the northern coast of Rakiura to Te Rūnanga o Ngāi Tahu, creating a foundation for future marine development. At the time, the iwi said it wanted aquaculture to support regional diversification while reflecting its responsibilities as kaitiaki, or guardians, of the marine environment.

The Hananui approval now gives that ambition a major commercial platform. Yet Māori participation extends well beyond one project. Māori hold approximately 27 per cent of New Zealand's fishing quota by volume and value, while Māori-owned enterprises have also built substantial positions in aquaculture and seafood processing. Moana New Zealand, for example, describes itself as the country's largest iwi-owned fisheries company and operates with a long-term approach rooted in Māori ownership and kaitiakitanga. This ownership structure could become one of New Zealand aquaculture's most distinctive competitive advantages. Global consumers increasingly want to know not only where seafood comes from, but how it is produced, who benefits from it and whether production respects local ecosystems and communities.

Akaroa King Salmon provides another compelling example of Māori participation in premium aquaculture. The company is a New Zealand-owned partnership involving Ngāti Porou, Ōnuku Rūnanga and the founding Bates family. It has been farming King salmon in Akaroa Harbour since 1985 and has developed a vertically integrated operation spanning hatchery, farming and processing. In June 2026, the business received government support to upgrade infrastructure and expand production. The investment is expected to create about 50 jobs over three years, with benefits flowing to iwi partners and surrounding communities. The company has also highlighted annual export earnings of more than \$20 million and investment in breeding programmes designed to improve resilience, genetic diversity and temperature tolerance.



That is a useful illustration of where Māori-owned aquaculture can create value: not simply by owning marine assets, but by participating across the production chain, building technical expertise, creating regional employment and developing export-ready brands. A similar direction is emerging in Northland. Muriwhenua Incorporation renewed a 38-hectare coastal consent in 2024 for oyster farming and entered a memorandum of understanding with Moana New Zealand in December 2025 to explore the responsible redevelopment of its aquaculture interests. The partnership aims to combine expertise with local employment and economic development while retaining Māori decision-making over the underlying assets.

The optimism should not obscure the risks. New Zealand's wider seafood sector is facing softer prices and demand in some markets. The Ministry for Primary Industries expects seafood export revenue to fall 3 per cent to \$2.2 billion for the year to June 2026, before recovering modestly in 2026–27. Aquaculture also remains exposed to biological risks, weather, feed costs,

infrastructure requirements, logistics and environmental scrutiny. Open-ocean farming introduces another layer of complexity because farms must withstand powerful marine conditions while maintaining fish welfare and operational reliability.

There is also a social licence question. Every expansion of marine farming must balance commercial opportunity with environmental, cultural and community interests. New Zealand's regulatory system requires new farms to consider environmental, social, economic and cultural effects before gaining resource consent. That is where Māori participation could prove especially significant. Indigenous ownership can bring commercial decision-making closer to communities with longstanding relationships with the moana, while the principles of kaitiakitanga can provide a framework for thinking about marine assets beyond short-term returns.

The Government's \$3 billion aquaculture ambition may ultimately depend on whether New Zealand can move from selling seafood as a commodity to building premium,

scalable and globally recognisable businesses. The latest salmon developments suggest that transformation is beginning. Hananui could create more than \$310 million in annual sales on its own, while Blue Endeavour provides another pathway for expanding King salmon production.

Meanwhile, Māori-owned and Māori-partnered businesses such as Akaroa King Salmon, Moana New Zealand and emerging iwi aquaculture ventures are demonstrating that ownership, cultural values and commercial scale can coexist. For New Zealand, the opportunity is therefore bigger than a salmon boom. It is about turning the country's vast marine estate into a higher-value export platform while ensuring that the economic benefits reach the communities whose relationship with the ocean stretches back generations. If the industry can combine open-ocean technology, premium branding, scientific innovation and Māori-led stewardship, aquaculture could become one of Aotearoa's most intriguing growth stories of the next decade. The \$300 million salmon opportunity may not be the destination. It could be the opening chapter.

DBS AND STRIPE'S ASIAN BET: THE FUTURE OF CROSS-BORDER PAYMENTS



Cross-border payments are no longer simply about moving money from one country to another. They are becoming a test of how quickly businesses can enter new markets, collect revenue in local currencies, manage liquidity, and eventually allow artificial intelligence to transact on their behalf. That is why the strategic partnership announced by Singapore-based DBS and global payments company Stripe at the end of August 2026 deserves more attention than a conventional fintech collaboration.

The two companies are combining DBS' banking infrastructure and pan-Asian connectivity with

Stripe's programmable payments and financial infrastructure to make cross-border commerce easier for businesses operating across Asia. The timing is significant. Asia's outbound cross-border payments are projected to reach \$24 trillion by 2033, up from \$13.5 trillion in 2025, meaning the market could almost double within eight years.

The projected 2033 figure would represent around 36% of global outbound payment flows. The partnership, therefore, is not just about faster transactions. It is a strategic bet on who will control the financial infrastructure behind Asia's next phase of international commerce.

Asia's Biggest Advantage Is Also Its Biggest Payment Problem

Asia is an enormous digital economy, but it is not one unified payments market. Businesses expanding across the region encounter different currencies, banking systems, regulations, payment preferences, and domestic payment rails. A company selling in Singapore, India, Indonesia, Japan, or other Asian markets cannot assume that the same payment method or financial infrastructure will work everywhere. This fragmentation creates friction just as Asian businesses become increasingly international.

Stripe says more than half of its users in Asia are already selling across borders, showing how international commerce has moved from a niche activity to a normal part of digital business. The broader numbers reinforce the opportunity. McKinsey estimates that global cross-border payments reached approximately \$190 trillion in 2025, generating more than \$290 billion in revenue. In other words, cross-border payments are already enormous. The question is increasingly whether existing infrastructure can keep up with the businesses using it.

Two Financial Worlds, One Payment Ambition

The most interesting element of the DBS–Stripe partnership is what each side brings to the table. Stripe brings a technology-first approach: programmable financial services, payment infrastructure, and

access to a large ecosystem of digital businesses. DBS brings something fintech companies cannot easily recreate: a regulated banking network, regional relationships, liquidity management, and established infrastructure across Asia. Under the arrangement, Stripe will be able to leverage DBS' digital banking capabilities, including money movement and cash-management solutions, helping merchants collect payments and manage liquidity across their corporate entities.

DBS, meanwhile, plans to explore Stripe's global platform and embedded finance capabilities to extend its cross-border network and help institutional clients reach customers internationally. That makes this partnership strategically different from simply adding another payment method. It is about connecting banking infrastructure with programmable financial infrastructure. And that could become increasingly important as companies expect their payment providers to do more than just process transactions, from managing currencies and liquidity to integrating payments directly into their financial operations.

The Real Race Is Moving From Faster Payments to Invisible Payments

Asia has already demonstrated that consumers do not necessarily need traditional card-based systems for digital payments to work. India's UPI, for example, and other instant-payment systems across Asia have shown how domestic payment infrastructure can become a foundation for broader digital commerce.

McKinsey argues that interoperability between domestic instant-payment systems is increasingly creating alternatives to traditional cross-border payment rails. This changes the competitive landscape. The future cross-border payment may not feel like a "cross-border payment" at all.

A merchant could sell to a customer overseas, receive payment through a locally familiar method, have funds converted automatically, optimise its liquidity position, and reconcile the transaction within its existing financial system — without the business having to understand the complexity underneath. That is the direction in which partnerships such as DBS–Stripe are pointing.

From Asia to the Gulf: The New Trade Corridors

The implications also extend beyond Asia.

Asian businesses are increasingly looking towards markets outside the region, including the Middle East, while Gulf economies are strengthening their links with Asian trade and investment centres. Singapore's own financial connectivity makes it an important bridge between these commercial ecosystems.

Recent initiatives involving DBS and financial institutions in the Gulf have also focused on faster payments, trade finance, and settlement between Asia and the GCC, demonstrating that the Asia–Middle East corridor is becoming strategically important. For payment companies, this means the winning infrastructure will need to support multiple regional corridors rather than isolated country-to-country transactions.

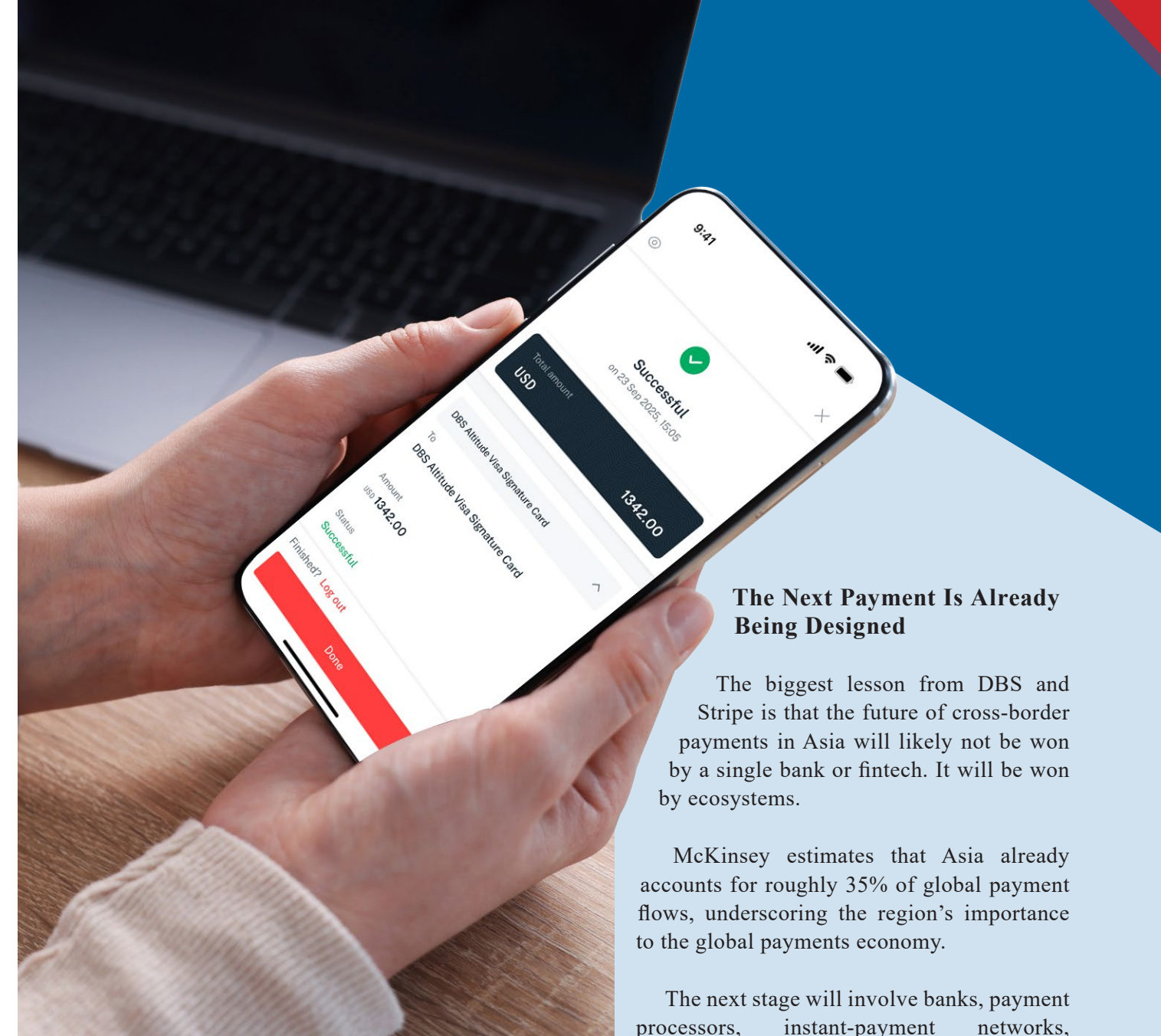
That is where the DBS–Stripe model could become particularly valuable: Stripe provides global reach and digital infrastructure, while DBS provides regional banking connectivity.

The Opportunity Is Huge — But So Are the Complications

The opportunity is clear: lower friction could make it easier for Asian SMEs, digital platforms, and exporters to sell internationally. But cross-border payments remain complicated because money cannot be treated like ordinary data. Every transaction can involve foreign-exchange risk, anti-money-laundering controls, sanctions screening, data rules, tax considerations, licensing requirements, and different consumer-protection regimes.

The rise of AI introduces another layer. DBS and Stripe are also exploring agentic AI, where AI systems could eventually discover products and complete transactions for consumers. The companies cite projections that AI agents could orchestrate as much as \$5 trillion of global consumer commerce by 2030. That figure represents the potential value of commerce influenced or orchestrated by AI, not \$5 trillion of payments that DBS and Stripe will process.

The distinction matters. An AI agent making a purchase creates difficult questions: Who authorises the payment? What happens if an agent makes an incorrect purchase? How are spending limits enforced? Who carries liability when something goes wrong?



The Next Payment Is Already Being Designed

The biggest lesson from DBS and Stripe is that the future of cross-border payments in Asia will likely not be won by a single bank or fintech. It will be won by ecosystems.

McKinsey estimates that Asia already accounts for roughly 35% of global payment flows, underscoring the region's importance to the global payments economy.

The next stage will involve banks, payment processors, instant-payment networks, fintechs, and technology platforms becoming increasingly interconnected. For DBS, the partnership provides a route to strengthen its position as a regional banking infrastructure provider. For Stripe, it provides deeper access to the banking capabilities needed to scale its financial infrastructure across a fragmented Asian market. And for businesses, the ideal outcome is simple: international expansion should feel less like entering a maze of payment systems and more like switching on a global capability.

That is ultimately what makes the DBS–Stripe partnership important. It is not merely a deal about moving money faster. It is a bet that the future of Asian commerce will depend on making money movement so integrated, programmable, and intelligent that businesses barely notice the borders at all.

These questions could prove just as important as payment speed. No Big Cheque — Yet the Strategic Investment Is Clear One point needs to be made explicitly: DBS and Stripe have not publicly disclosed a specific monetary investment associated with this partnership. The announcement describes a strategic partnership and memorandum of understanding, not a funding round with a stated investment amount. That does not make the partnership financially insignificant. The investment here is primarily strategic: technology integration, banking connectivity, product development, merchant access, and the creation of infrastructure capable of supporting future forms of commerce. In many ways, that may be more consequential than a headline investment figure.



DEFENDING THE YEN: CAN US-JAPAN COORDINATION OUTRUN THE INTEREST RATE GAP?

After Washington and Tokyo confirmed a rare, coordinated intervention in currency markets, which momentarily stopped a decline that had sent the Japanese currency to its lowest level in almost 40 years, the yen surged to its strongest level in nearly three months. Japan's Finance Ministry confirmed that it had collaborated with the US Treasury Department to buy yen and sell dollars on a pre-arranged day. This is the first time the two governments have worked together to weaken the yen since 2011, when they did so in response to the earthquake and tsunami that struck eastern Japan. Additionally, since 1998, it has been the first coordinated effort to purchase yen specifically. The response came right away. In addition to a 3.8% increase over the previous two trading sessions, the yen increased as much as 1.4% to reach a nearly three-month high of 155.20 per dollar. This move marked a dramatic turnaround, as just a few days prior, the currency had hit a new 40-year low of 163.73 per dollar before rising toward the 157 level.

A Long-Awaited Rescue

It was not an unexpected intervention. According to central bank data, Japan had already taken unilateral action the night before the joint action, with the Bank of Japan purchasing yen in New York markets for up to approximately 59 billion dollars. According to Bloomberg-compiled data, Japan spent approximately 8.45 trillion yen, or roughly 52.8 billion dollars, in what would probably be its largest-ever one-day intervention. Some estimates place the single-day figure even higher.

On the American side, the US Treasury made the unprecedented move of using its Exchange Stabilisation Fund. Although officials have not confirmed an exact amount, the US sold its holdings of euros to buy yen. However, a picture of Treasury Secretary Scott Bessent's notes during a cabinet meeting revealed a directive to buy yen in the range of 5 billion to 10 billion dollars. Instead of framing the decision to aid Japan as purely

monetary policy, President Donald Trump used personal language. When asked why Washington had intervened, he told reporters on Air Force One that Japan needed a little assistance and that the US is always there for its ally, characterising the action as primarily a sign of friendship based on the long-standing relationship between the two nations. Bessent used a more technical but equally helpful tone, stating that the Treasury is still in close contact with its counterparts at Japan's central bank and finance ministry and that their coordinated action countered disorderly moves in the yen. According to both sides, there is still room for additional action. Bessent reiterated the promise made by Japan's Finance Minister, Satsuki Katayama, that the government would not think twice about stepping in once more.

Why Right Now?

The government was now unable to ignore the extent of the yen's decline. Japanese households now have to pay more for imported food and energy due to the weakening yen, which puts pressure on consumers and lowers Prime Minister Sanae Takaichi's popularity. Tensions in the Middle East have made matters worse by driving up fuel prices at a time when the currency was already under strain.

The stakes for Washington go far beyond doing an ally a favour. With approximately \$1.15 trillion in Treasury bonds, Japan continues to be the biggest foreign holder of US government debt. At a time when the Federal Reserve is already dealing with a delicate rate environment, analysts in Washington express concern that a volatile yen and related turbulence in Japanese government bonds could spill over into US Treasury markets, adding additional upward pressure on American yields. The trade component persists as well. Concerns regarding the competitiveness of Japanese exports and the larger US trade deficit are exacerbated by the US's repeated description of the yen as significantly undervalued.



The Fundamental Issue Is: Interest Rate Disparity

Although currency intervention buys time, few analysts think it resolves the fundamental problem, which is the large interest rate differential between the US and Japan that still drives yen-funded carry trades. The numbers are still stark even after the joint action. The yield on Japan's 10-year government bond is currently about 2.64%, while the equivalent US Treasury bond yields about 4.45%. This difference is significant enough to sustain the carry trade.

The Bank of Japan has been gradually increasing interest rates. In June, it raised its policy rate to 1.0%, the highest level since September 1995, but it remained unchanged in July while the board discussed how quickly to tighten further. Board member Hajime Takata dissented in favour of a change to 1.25%, but the July decision was approved by an 8-to-1 vote. Since then, Governor Kazuo Ueda has become more vocal, cautioning that inflation is getting close to the bank's target and that if action is not taken now, much harsher rate increases may be necessary in the future.

Markets are paying attention. Due to traders pricing in a higher likelihood of an early move, the two-year Japanese government bond yield, which is most sensitive to near-term policy expectations, momentarily crossed 1.545%, its highest level since 1995.

A Doubtful Consumer Base

Not everyone believes the rally will be successful. Senior economist Tsuyoshi Ueno of the NLI Research Institute pointed out that a coordinated announcement usually carries more psychological weight than a solo move by Tokyo, but he also noted that the yen actually somewhat

declined after the news was released because traders had already priced in the action. Robin Brooks, a fellow at the Brookings Institution, went so far as to say that the coordinated strategy might ultimately do more harm than good to the yen's reputation.

History also serves as a warning. Even when combined with a rate hike, Japan's prior solo intervention campaign, roughly 73 billion dollars spread over April and May, did little to stop the currency's decline, and the yen continued to hover around 160 per dollar for weeks afterwards. Because of this experience, officials in Washington and Tokyo are now favouring coordination over unilateral action, believing that a joint show of force will be more credible with markets than either side acting alone.

What's Next?

Apart from intervention, both governments have indicated that they are expanding their toolkit. The Federal Reserve's foreign and international monetary authorities repo facility, which enables authorised central banks to obtain short-term dollars by temporarily exchanging Treasury securities, will be used, according to Japan's Finance Ministry. Bessent has separately suggested that the facility's size be increased in the upcoming months, describing it as a crucial safety net for struggling allied currencies. As of right now, the yen has recovered a significant portion of its losses and is now trading in the mid-150s versus the dollar instead of the mid-160s that were observed only a few weeks ago. The sustainability of that gain will probably depend more on whether the Bank of Japan continues to raise interest rates in order to close the gap with US borrowing costs than on any one intervention. Currency traders and central bankers on both sides of the Pacific are likely to keep an eye out for the next round of action until that gap significantly closes.



SBI HOLDINGS PLANS TO ACQUIRE CRYPTO EXCHANGE BITBANK

The biggest financial company in Japan is taking steps to solidify its dominance of the nation's cryptocurrency market before authorities change the rules. In a deal worth 46.7 billion yen (\$288.5 million), SBI Holdings has agreed to buy Bitbank, one of the oldest and most reputable cryptocurrency exchanges in Japan. The deal, announced around June 24-25, is the largest consolidation in Japan's regulated digital asset market and will make SBI the nation's largest cryptocurrency operator in terms of both accounts and assets under custody.

The Agreement Structure

SBICAH GK, SBI's wholly owned investment vehicle, is carrying out the acquisition in two stages. The initial phase, anticipated to begin in August, will have SBI paying cash for shares directly from Bitbank CEO and founder Noriyuki Hirose, as well as other individual shareholders. Bitbank will issue new shares to SBICAH GK in the second phase, expected to be completed by the end of October.

The proceeds will be used to buy back and retire the remaining shares held by its two corporate shareholders, Mixi Inc. and Ceres

Inc., both of whom have indicated that they will accept the buyout. Bitbank becomes a fully owned subsidiary of SBI Group after both phases conclude.

Both businesses are aiming for a close date of approximately October 2026, but the transaction still needs approval from the Japan Fair Trade Commission in addition to other typical closing requirements. Customers will be able to continue trading on the platform without any disruptions during the ownership transition, according to Bitbank, which has assured its users that the deal won't affect current services.

One of the oldest cryptocurrency exchanges in Japan, Bitbank was founded by Hirose in 2014 and provides spot trading and lending for over 40 digital assets paired against the yen. In an industry still influenced by the memory of the Mt Gox and Coincheck breaches, the company's reputation has been built on security, with zero hacking incidents reported since its launch. After more than ten years of creating one of the nation's most reputable exchange brands, Hirose, one of the shareholders selling out, sees the sale as an exit.

Establishing Japan's Biggest Regulated Cryptocurrency Group

SBI has been pursuing a purposeful consolidation strategy for years, and the acquisition is the most recent and significant step in that process. In 2022, the group made its foray into the exchange industry by purchasing Bitpoint Japan.

In April 2026, its cryptocurrency trading division, SBI VC Trade, completely integrated Bitpoint's operations. By adding Bitbank to that foundation, the group's size has increased significantly.

The combined company is anticipated to hold roughly 2.92 million crypto asset accounts and 1.1 trillion yen, or roughly \$6.8 billion, in crypto assets under custody, according to SBI's own disclosures. By trading volume, that would put SBI ahead of well-known competitors bitFlyer and Coincheck, making it the biggest regulated cryptocurrency exchange operator in Japan by a wide margin.

According to SBI, the combined group is anticipated to rank first in terms of assets under custody and among the top tier in terms of account numbers among domestic crypto asset exchange service providers.

According to data from CoinGecko, Bitbank currently handles about \$50 million in daily trading volume. This puts it in the top ten exchanges in Japan by activity, but it still lags far behind major international players like Kraken, Bitmart, Toobit, and CoinW, each of which handles more than \$1 billion every day.

In a market SBI plans to dominate domestically as it prepares for a regulatory overhaul, the deal is more about acquiring infrastructure, trust, and a loyal user base than it is about purchasing raw trading volume.

Regulation is the Catalyst

The acquisition's timing is not coincidental. The Financial Instruments and Exchange Act, which currently governs stocks and other securities, is being used by Japanese authorities to reclassify cryptocurrencies as financial products. Exchange operators would be subject to much stricter compliance, disclosure, and capital requirements as a result of this change, which could go into effect as early as the next fiscal year.

This change tends to favour large, well-capitalised groups over smaller, independent platforms that lack the balance sheet or legal resources to keep up. For months, SBI has been preparing for that change by clearly framing the Bitbank acquisition as a component of a larger plan to grow its cryptocurrency business before expected regulatory changes.

The company stated in a public statement that the deal is anticipated to increase its visibility in the digital asset and cryptocurrency industries and further boost the profitability and competitiveness of its overall crypto business.

SBI is gaining as much scale as it can before the new regulations take effect because scale has become a competitive weapon in an industry where compliance costs are about to rise sharply.



Building a Broader Digital Asset Base

There was more to the Bitbank transaction than just that. It arrived on the same day that SBI, in collaboration with Web3 infrastructure company Startale Group, introduced JPYSC, Japan's first trust bank-backed yen stablecoin. It is issued through SBI Shinsei Trust Bank and distributed via SBI VC Trade.

JPYSC is structured under Japan's recently established Type III Electronic Payment Instrument classification, which eliminates the one million yen daily transaction cap on JPYC, the retail-focused yen token, and permits reserves to hold up to 50% in Japanese government bonds.

Yoshitaka Kitao, the chairman and CEO of SBI Holdings, has called the move toward blockchain-based settlement an irreversible trend and stated that the company plans to collaborate closely with regulators in order to eventually enable wider public blockchain circulation for the token.

In addition to the stablecoin launch, SBI co-launched Ripple's RLUSD dollar stablecoin in the Japanese market earlier this year and introduced a Visa-branded rewards card that uses SBI VC Trade to convert regular spending into bitcoin and other digital assets.

When combined, the Bitbank acquisition, the JPYSC launch, the Visa card, and the RLUSD distribution deal show how a financial group is gaining exposure in almost every layer of the digital asset stack, including exchange trading, custody, stablecoin issuance, and crypto-linked payments. This is all made possible by an exceptionally quick dealmaking pace that few Japanese competitors can match.

Kitao has been candid about his goals in the stablecoin market in particular, characterising current yen stablecoin offerings as tiny and unimportant and speculating that some rival projects might find it difficult to survive once JPYSC is fully operational. The three biggest megabanks in Japan, including Mitsubishi UFJ Financial Group through its Progmatic

Coin initiative, are investigating their own yen stablecoin projects. As bank-backed competitors enter the market over the course of the upcoming year, SBI's early mover advantage will be put to the test.

Market Background

The acquisition occurs during a period of volatility for cryptocurrency markets in general. After trading above \$66,000 earlier in the year, Bitcoin has dropped sharply in recent weeks, approaching the \$59,000 mark. This has put pressure on the balance sheets and stock prices of companies that are related to cryptocurrencies worldwide. Given this context, SBI's readiness to spend almost \$290 million on an acquisition is noteworthy. The group is using the opportunity to consolidate market share rather than retreat during a downturn, which is in line with its strategy during prior cryptocurrency cycles, when it typically used times of lower sentiment to buy assets at more advantageous valuations.

The Bitbank deal is more of a capstone than a single transaction for a company that has spent years developing what amounts to a full-stack digital finance operation within a traditional financial conglomerate. As the regulatory framework supporting the entire industry gets ready to change, it solidifies SBI's position as the leading regulated entry point into cryptocurrency for both Japanese institutional and retail investors.

How Japan's new financial products framework is ultimately drafted and whether SBI's competitors, from well-established exchanges to bank-backed newcomers, can mount a significant response before the consolidation SBI has started becomes difficult to undo will determine whether that scale translates into sustained market leadership.



Shein's Valuation Sinks To 4-Year Low To \$27 Billion In Hong Kong IPO

Chinese fast-fashion giant Shein reported a 70% drop in market valuation compared to its private market peak from four years ago. This fall comes around the same time as the company seeks to raise nearly HK\$13.86 billion (\$1.77 billion) in its Hong Kong IPO launch. Shein's Hong Kong debut comes after it scrapped plans to go public on the New York and London markets for four years.

Valued between HK\$47.60 and HK\$49.50 apiece, filings show that the company sold approximately 280 million shares, pushing the \$5 dress manufacturer's valuation to nearly \$27 billion. Company analysts had accurately expected the Hong Kong listing to oscillate between \$25 billion and \$28 billion. This performance, however, is a massive drop compared to Shein's \$100 billion market capitalisation in 2022. In the following two years, the valuation stayed at \$63 billion.

The fashion retailer will announce the final price on August 31 and begin trading on September 1. News reports indicate that Shein aimed for a \$30 billion to \$40 billion valuation on the Hong Kong market. Shein garnered international popularity for its cheap and fashionable clothing, with the company selling a pair of jeans for as low as \$10. However, external pressures like tariffs, a US Federal Trade Commission (FTC) investigation and some European regulatory cases have slowed the clothing retailer's growth.

As costs rise and growth slows, investors remain wary of Shein's ability to reach its previous growth records of \$100 billion. Market researchers have pointed out that public investors no longer bet on hyper-growth, focusing instead on underwriting a mature cross-border platform whose profit margins are thinning against Trump tariffs, higher compliance costs, and regulatory scrutiny in both the US and China.

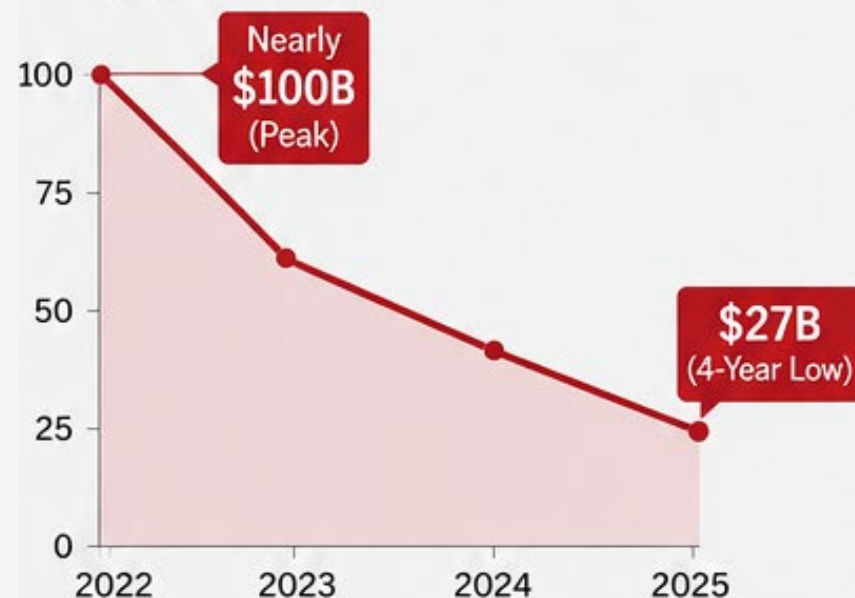
According to LSEG data, Shein's \$27 billion market valuation is at around 0.7 times its forecast sales. This places it higher than its European rival Zalando, trading at 0.4 times. This also makes it cheaper than US-based retailers like H&M and Zara owner Inditex, which trade at around 1.1 and 4.0 respectively.

According to the prospectus, Shein shares worth about \$383 million have been subscribed for by cornerstone investors, including incumbent shareholders Boyu, Tiger



VALUATION OVER TIME

(USD Billion)



HONG KONG IPO DETAILS



Target Valuation
~\$27 Billion



Funds to be Raised
Up to \$1.77 Billion
by selling 280 million shares

WHY VALUATION HAS FALLEN



Slower Growth
Post-pandemic normalization has weighed on growth.



Higher Tariffs and Trade Costs
Rising trade barriers squeeze margins.



Intensifying Competition
Rivals and new entrants are fighting for market share.



Regulatory Pressures
Increased scrutiny across key markets.

Global, and General Atlantic. Additionally, UBS Asset Management, Taikang Life, and Tencent Greenwoods will conduct assessments.

About 80% of the IPO's earnings, according to Shein, will be used to expand its brand, enhance its technology, and connect with a worldwide audience.

According to the prospectus, it has promised to pay up to \$3.5 billion in cash to certain investors who purchased special shares during previous rounds of private financing. 10% of the voting rights of the company's founders' shares will be transferred to the shares sold at the Hong Kong IPO, and the remaining 90% will be in the hands of co-founders Sky Yangtian Xu, Maggie Gu, Molly Miao and Tony Ren.

This float can be attributed to Shein's weakening profit margins and weaker core earnings. This has also caused concerns over plans for expansion amid rising trade costs and intensifying competition in the global e-commerce industry.

The company has maintained that its H1 revenue growth will be in tandem with the Q1 growth of 1.1%; however, its operating margin is expected to dip lower than its Q1 level. This has been linked to new European import charges and reduced demand in the Middle East due to the Iran crisis.

Shein was also hit with a \$99 million quarterly loss after the Trump administration removed the import duty exemption on small packages known as the de minimis rule. This clause had allowed packages worth less than \$800 ordered online from China to enter the American market duty-free. There was yet another blow when a \$328 million fair-value charge on convertible redeemable preferred shares was levied following an accounting charge.

NEWS

MCDONALD'S RECORDED 0.8% Q2 SALES GROWTH IN US AMID LOWERED CUSTOMER SPENDING

McDonald's US sales growth for the second quarter missed expectations as its recent strategy to target low-income consumers was not executed properly. These consumers are cutting back on restaurant spending amid rising prices.

According to CEO Chris Kempczinski, promotions for value deals and a reduction in digital deals, such as the buy-one-add-one promotion, cost the fast-food giant its loyal and regular customers. This accounted for nearly two-thirds of the total customer shortfall this quarter.

Sales in the US, which is McDonald's largest market, grew 0.8% in Q2, falling short of analysts' estimates of a 1.06% rise. This is a significant drop compared to last year's growth pace of 2.5%. With the prices of basic goods and fuel rising rapidly,

low-income consumers who comprise the burger joint's primary customer base are choosing to eat out less. Kempczinski, however, defended the company's latest strategies but admitted that a lack of optimal execution caused sales to dip.

McDonald's has also replaced Joe Erlinger with Skye Anderson to lead business development and increase US sales growth. Anderson has much experience as an executive across operations and international markets.

Analysts believe that such boardroom changes indicate the organization's dissatisfaction with sales and revenue, and could bring about faster sales and profit growth initiatives.

Other steps such as restoring national digital offers and more targeted promotions for loyalty members are also being taken to revive sales. Company shares have fallen nearly 13% this year, but were slightly higher when it was announced that quarterly profits had beaten forecasts.

The recent outbreak of cyclosporiasis across American states has also contributed to lower demand, and other fast-food chains like Taco Bell also reported crunched numbers. However, as food safety concerns are rising, these companies are assuring customers that quality control measures are being taken to ensure no contaminated produce is being used to prepare food.

In April, McDonald's introduced an under-\$3 menu and a \$4 breakfast meal deal to its McValue platform, but the increase in customer traffic was less than expected. On the other hand, beverage sales improved, and Kempczinski said that the new beverage platform was working out well. This new beverage platform also helped the average spending per visit to climb and draw in customers at newer times during the day.

Internationally, comparable sales increased 1.3%, a drop from the 3.8% jump recorded a year ago. Sales across major European markets rose 1.5%, down from last year's 4%. However, adjusted earnings per share improved to \$3.38 from \$3.19 in 2025, beating the \$3.32 predictions.



JAPAN'S ENERGY DIPLOMACY for the Region Needs Its GREEN HALF

Japan is expanding its energy diplomacy in Southeast Asia in an era where energy security and decarbonisation cannot be seen as two distinct priorities anymore. Tokyo's regional projects take into account geopolitical risks such as vulnerable shipping lanes, unpredictable fuel markets, and rising electricity demand. However, the approach is tilted in favour of ensuring the energy supply for the conventional economy. It does not have its green half. This deficiency is just as much economic as it is environmental. Southeast Asia is now entering a stage of fast development of its manufacturing industry, information technology sector, and data centres.

They require access to electricity; however, they increasingly demand access to electricity produced in a way that does not damage the environment.

Security is not just Fuel

In April 2026, Japan launched the \$10 billion 'Partnership on Wide Energy and Resource Resilience Asia,' or POWERR Asia. The goal of the partnership is to increase energy resilience in Southeast Asia, which includes, among other measures, aimed at helping to ensure crude

oil and petroleum stockpiling, release mechanisms, and energy conservation and diversification.

The reasoning seems clear. Japan continues to be highly dependent on fuel imports, and any disruption in the Middle East and key maritime routes would have an impact on fuel prices and the planning of industries very quickly. A regional approach to such issues could help to coordinate the activities and to support the partners in difficult market moments.

However, energy resilience does not solely consist of ensuring the greater availability of fuel. It also consists of reducing the dependence of the electricity system on the fuel market completely. Solar and wind energy, hydropower, geothermal energy, batteries, pumped storage, energy efficiency, and transmission network improvement can increase energy security and make the electricity system independent from imported coal, oil, and gas.

Demand is Getting Greener

The increasing demand for electricity in Southeast Asia is associated with both industrialisation and

digitalisation. According to the East Asia Forum, there is a digital infrastructure trilemma in the region where governments have to increase their computing capacity amid environmental stress and competition for energy and water resources. AI technologies and data centres exacerbate the problem due to the need for a constant quality energy supply. In such circumstances, there is a niche for Japan. The country can provide its engineering expertise in creating energy infrastructure related to renewables, transmission improvements, and flexibility solutions.

Domestic Contradiction in Japan

It is impossible for Japan to pursue regional policy due to certain contradictions within the country, connected with choosing energy sources. According to the 7th Strategic Energy Plan adopted in 2025, renewable energy sources are expected to be the biggest source of energy in the future. However, the share of renewables in the power mix will be non-binding and will not exceed 40-50% of it until 2040. Moreover, nuclear energy will comprise approximately 20% and thermal generation 30-40% of energy in Japan. As for the initiative known as the Green Transformation (GX), ¥150 trillion in investments will be attracted both publicly and privately by using transition bonds and carbon pricing.

However, financing will not solve all the problems associated with the development of renewable energy. As stated in the report of the Institute for Energy Economics and Financial Analysis, renewables comprised 9.5% of energy in 2010 and increased to 22.9% by 2023, but

growth became slower. In fiscal year 2023, the growth rate was the lowest since 2010, standing at 5.9%. The constraints are structural. Large utilities own roughly 75% of installed generating capacity, but grid congestion, high costs of connection, complicated permits, and poor financing mechanisms for new transmission projects inhibit new developments. Renewable energy sources are distant from population centres, and market regulations may favour thermal generation.

From Diplomacy to an Industrial Green Proposal

Japan does not have to give up the resilience of its energy system through diversification in the medium term. Japan must focus on renewable energy production as part of this regional strategy. This will be achieved by combining emergency measures with investments in renewable generation, international grids, storage, energy efficiency, and distributed generation resources.

Japan should increase its support for renewable energies like solar, hydro, and geothermal. It could benefit by establishing common power purchase agreements and financing transmission projects from resource-abundant regions to industrial zones. Japan could also help ASEAN better assess carbon intensity, grid flexibility, and data centres' power consumption.

Japan's energy diplomacy is working in a world full of dangers, but the nature of security is evolving. Resilience is not about securing greater numbers of fuel supplies or bigger stocks. Rather, resilience is achieved through the diversification and localisation of the energy mix by using less imported fuel, producing more power domestically and connecting clean energy to the industries of the future.

POWERR Asia provides Japan with a platform. The real question here is how it will be used. If Japan is able to marry its financial and engineering expertise with a credible renewables strategy, it will contribute to Southeast Asia's energy independence and open up new markets for Japanese technology. Otherwise, its regional approach will lock in the past while leaving the green part of the future to others.

CAN NUCLEAR RESOURCES BECOME SAUDI ARABIA'S NEXT STRATEGIC ENERGY ASSET?

For decades, Saudi Arabia's position in the global energy system has been defined by one resource: oil. Now, a different mineral is beginning to attract international attention.

Saudi Arabia has announced the discovery of an estimated 110 million tonnes of uranium-bearing ore containing uranium and heavy rare-earth elements in the Madinah region, adding a potentially important dimension to the Kingdom's ambitions in mining, nuclear energy and industrial diversification. The announcement, made by Energy Minister Prince Abdulaziz bin Salman at the International Atomic Energy Agency's General Conference in Vienna, arrives at a particularly significant moment for Saudi Arabia's energy strategy. The scale of the announcement is striking, but its commercial meaning requires careful interpretation. The 110 million tonnes represents ore rather than recoverable uranium metal. The ultimate value will depend on uranium concentration, extraction economics, processing technology, infrastructure and the results of detailed geological assessment. Nevertheless, the discovery strengthens a strategy that Riyadh has been developing for several years: transforming domestic mineral resources into a foundation for industrial growth while reducing the Kingdom's dependence on hydrocarbons as the central pillar of its economy.

Saudi Arabia has already made clear that uranium is not being considered merely as another mining commodity. The Kingdom has previously expressed an ambition to use domestic uranium resources across the nuclear fuel cycle, including the production of yellowcake and potentially low-enriched uranium. In January 2025, the Saudi Energy Minister also re-affirmed plans to enrich and sell uranium. Until recently, however, the practical commercial pathway remained uncertain, particularly because Saudi Arabia had no operating uranium production or enrich-



ment industry. That equation changed considerably in July 2026 when Riyadh and Washington signed an agreement on cooperation in the peaceful uses of nuclear energy.

The agreement is designed to deepen cooperation in nuclear technology, expertise and energy while supporting Saudi Arabia's planned nuclear development.

Reuters reported that the agreement permits a pathway towards uranium enrichment and nuclear reactor construction using US technology, although the arrangement has attracted significant debate over safeguards and non-proliferation. For Saudi Arabia, the strategic logic extends well beyond electricity generation. Nuclear power could eventually provide a dependable source of low-carbon baseload electricity while allowing more oil and gas to be directed towards higher-value domestic industries or international markets. This is particularly relevant as the Kingdom invests heavily in data centres, advanced manufacturing, desalination, hydrogen, mining and other energy-intensive sectors under Vision 2030.

Domestic uranium could add another layer of strategic resilience. At present, a country developing nuclear power can simply purchase reactor fuel through international markets. Saudi Arabia, however, appears interested in building greater control over its nuclear supply chain. Producing uranium domestically could potentially reduce exposure to future disruptions in international fuel markets and give Riyadh greater leverage within the global nuclear industry. It could also create opportunities in exploration, mining, processing, engineering, scientific research and specialist manufacturing. Yet turning geological potential into a strategic asset will not happen overnight. Uranium mining is technically demanding, and the eco-

conomic value of an ore body depends heavily on its grade, accessibility and processing requirements. Saudi Arabia must therefore move from headline discovery towards resource definition, feasibility studies, environmental assessment and commercial evaluation. The International Atomic Energy Agency's uranium database itself warns that geological occurrences should not automatically be interpreted as commercially or economically recoverable resources. The Kingdom has already been developing the institutional foundations required for this transition. The King Abdullah City for Atomic and Renewable Energy has been involved in developing national capabilities for uranium exploration, while Saudi Arabia's nuclear authorities have been working with international organisations to strengthen regulatory, safety and emergency-preparedness capabilities. In 2025, the IAEA conducted its first management-systems advisory mission in Saudi Arabia as the Kingdom prepared for the introduction of nuclear power.

The wider uranium market also makes the development strategically interesting. Global uranium production remains concentrated in a relatively small number of major producers, with Kazakhstan, Canada and Namibia accounting for a substantial share of mined supply. As nuclear power returns to the centre of global energy-security discussions, countries are increasingly examining domestic resources and alternative supply chains. Saudi Arabia therefore enters the sector at a time when uranium is becoming increasingly relevant to long-term energy planning rather than remaining a niche commodity. There is another dimension to the story: Saudi Arabia's broader mining transformation. Riyadh has identified mining and minerals as one of the major pillars of economic diversification, alongside energy, tourism, manufacturing and technology. Exploration licences have been expanded across the Kingdom, with international companies increasingly participating in Saudi Arabia's mineral-development opportunities. The uranium discovery fits naturally into this wider effort to identify resources that can support domestic processing and attract foreign capital. The possibility of developing a

domestic nuclear fuel chain could also create an entirely new industrial ecosystem. Mining would represent only the beginning. Uranium ore would need to be processed into suitable nuclear material, while enrichment, fuel fabrication and reactor operations require highly specialised technologies, trained personnel and rigorous regulatory controls. If Saudi Arabia succeeds in building these capabilities responsibly, the economic opportunity could extend far beyond the value of the uranium itself. However, the geopolitical dimension cannot be ignored.

Uranium enrichment is inherently sensitive because the same underlying technology used to produce reactor fuel can, at higher enrichment levels, contribute to weapons capabilities. Saudi Arabia remains a signatory to the Nuclear Non-Proliferation Treaty, and its nuclear development is therefore closely watched by the United States, Israel and other regional powers.

The July agreement has already generated concern among non-proliferation experts because of the potential scope of Saudi enrichment rights

and the level of international oversight involved. For Riyadh, this makes transparency and regulatory credibility economically important as well as diplomatically necessary. International investors will want confidence that Saudi nuclear projects can operate within predictable regulatory frameworks, while governments will expect strong safeguards against proliferation. The Kingdom's ability to demonstrate that its nuclear ambitions are centred on civilian energy, industrial development and energy security could determine how quickly international partnerships and capital develop around the sector. The timing is also notable because Saudi Arabia is attempting to build an economy capable of functioning beyond the traditional oil model. The recent vulnerability of regional energy infrastructure has reinforced the importance of diversification and resilience. In September 2026, attacks temporarily forced the precautionary shutdown of the East–West oil pipeline, highlighting once again the strategic exposure associated with concentrated energy infrastructure.



CLEAN ENERGY RENEWABLE SOURCES

The European bloc has been successful in implementing strategies for its clean energy expansion, which would further lower its exposure to a precarious and costly LNG supply chain. The savings could reach tens of billions of dollars per year by the end of the decade. According to a report released in late July by the Institute for Energy Economics and Financial Analysis (IEEFA), achieving the EU's current targets for heat pumps and renewable energy could reduce gas demand to the point where the bloc could import about twice as much LNG from Qatar by 2030. Based on IEEFA's own cost data for LNG purchases from Qatar, these savings would be worth about \$32 billion annually.

A Hastily Developed Dependency

The present scale of exposure is due to a rapid and largely reactive change. The volume of LNG imports into the EU grew by 84% from 2021 to 2025 and reached a historical peak because of the transition to LNG after the Russian attack on Ukraine. Most of the gas turned out to be expensive. In view of the high prices, the members of the EU spent about 116 billion euros on LNG only in 2022. The EU countries spent roughly 225.3 billion euros on LNG imports between 2022 and 2024. Out of these expenses, 131.5 billion euros were allocated for the imports of US LNG, 37.8 billion euros for the import of Russian gas and 36.2 billion euros for Qatari LNG.

It has turned out that reliance is brittle. Damage to export facilities in Qatar, one of Europe's most significant LNG suppliers, has highlighted the vulnerability, and tensions in the Gulf have increased the risk. The chokepoint is a single point of failure for a significant portion of Europe's energy security



EU ACCELERATES ITS CLEAN ENERGY GRID PLAN TO SAVE \$32B FROM QATAR LNG IMPORTS

because Qatar accounts for about 94% of the LNG exported from the Persian Gulf via the Strait of Hormuz.

IEEFA Argues for Lowering Demand from New Suppliers

IEEFA contends that reducing gas demand at the source is a more long-lasting solution than looking for new suppliers to replace Qatar. Ana Maria Jaller-Makarewicz, lead analyst, has been direct about the reasoning. She has stated that the EU should not rely on unpredictable and costly LNG deliveries from nations like Qatar, and in a different comment related to the same report,

she contended that the Strait of Hormuz situation demonstrates the need for Europe to completely stop relying on fossil fuel imports.

Those figures are there to prove the point. In 2024, thanks to the installation of heat pumps and greater use of renewables, the EU saved 8.8 billion cubic meters of gas consumption, which equals almost 70% of its imports of Qatar's LNG. It was no accident. The total EU gas demand fell by 20%, or by 78.5 billion cubic meters, from 2021 to 2024. IEEFA believes that these savings can hardly be explained by the temporary factors such as mild winters.

POLLUTING ENERGY FINITE SOURCES



The think tank's forecast for the future depends on three deployment goals. According to IEEFA, gas demand could be reduced by about 25% by the end of 2030 if the EU's targets of at least four million heat pump installations, 75 gigawatts of solar power, and 22 gigawatts of wind power are met over the next five years. By 2030, the resulting gas savings would be twice the amount of LNG that Europe might be able to import from Qatar. This shows how domestic renewable energy can offer more long-term energy security than more imports of fossil fuels.

What's the Monetary Equivalent

From IEEFA's own figures, it is clear that initially the cost of LNG imports from Qatar is quite high. US LNG is usually the most expensive in the European markets, followed by Qatari LNG and then Russian LNG. This makes the price per unit of the gas Europe is expected to substitute much higher than the global average. A figure of 28 to 30 billion euros, or approximately 32 billion dollars in current exchange rates, is estimated by doubling the amount of 12 billion



euros that Europe has spent recently on Qatari cargoes. This is the figure that reflects the level of risk that can be erased with clean energy investment.

The Significance of Timing

The reason why this report has an urgent need is because of the two impending deadlines that are coming up. Investments in green energy will help mitigate the risk related to the supply of energy, which includes possible shortages after the complete ban on Russian gas imports into the EU by 2027 or any disturbances in the Strait of Hormuz.

At the same time, the structure of Europe's LNG supply has slowly shifted towards near-complete dependency on one additional supplier. Already, in Q1 2026, half of the European LNG imports from 2025 came from the US, which rose to 63%. IEEFA forecasted that two-thirds of Europe's LNG imports would be from the US in 2026. The think tank already warned back in January 2026 that the EU could become dependent on the US for 75-80% of its LNG imports by 2030.

The clean energy movement is reframed by this dynamic as more than just a climate goal. The primary goal of European energy policy appears to be diversifying away from any one LNG source, whether it be American, Russian, or Qatari, and reducing demand through electrification and renewable energy sources is turning out to be the strategy least reliant on geopolitics. Europe's energy and climate transition is offering the bloc a real chance to shift its strategic position rather than just meet emissions targets, as Euronews pointed out in its coverage of the report.

Dangers of Execution

All of this cannot be guaranteed. The savings IEEFA models rely solely on the EU meeting its yearly installation targets for wind, solar, and heat pumps, which have not always been fulfilled on time, and on member states maintaining the political will for electrification despite the ongoing volatility of energy prices. However, with nearly 80 billion cubic meters of demand already eliminated between 2021 and 2024, the direction of travel is now supported by actual data rather than just projections. The bloc's reliance on any one gas supplier, including Qatar, may decrease from a structural vulnerability to a manageable footnote if Brussels can maintain that pace through 2030.

TURKEY LAUNCHES ITS DEBUT 101KM CROSS-MEDITERRANEAN Energy Corridor, a Subsea Gas Pipeline to Northern Cyprus

Turkey has started construction on a 101-kilometre subsea natural gas pipeline that will connect its southern coast to Northern Cyprus. This project represents the country's first underwater energy corridor across the Mediterranean. The Ankara officials hope it will eventually extend much farther, into the centre of the European gas market. Although the plan is small in comparison to the massive projects that are occasionally proposed for the Eastern Mediterranean, its political framing and bidirectional engineering make it one of the more significant energy infrastructure announcements made in the region this year.

Following the signing of an MoU, Turkey and the Turkish Republic of Northern Cyprus (TRNC) signed the agreements required to start construction back in early July 2026. The pipeline will travel approximately 97km of offshore pipe and 4km onshore from Anamur, on Turkey's Mediterranean coast, to the Tekneçik region of Northern Cyprus. Along with related import

terminals and onshore infrastructure, it will comprise two 22-inch pipelines designed for bidirectional flow. When fully operational, it is anticipated to transport an annual capacity of about 10 billion cubic metres of gas.

A Pipeline Bidirectional

This project's bidirectional design is what makes it more than simply a regular household infrastructure construction. In its initial stage, the pipeline will just transmit Turkish natural gas east and south to Northern Cyprus, taking the place of the more expensive liquid fuels the island presently uses to generate energy, mainly at the Tekneçik Power Plant.

Outside of Cyprus and Turkey, people are interested in the pipeline's second, longer-term goal.

Because the twin pipelines are designed to transport gas in both directions, officials in Ankara envision a future phase in which any commercially viable natural gas found in the Eastern Mediterranean could be piped north through the same infrastructure and then onwards through Turkey's current pipeline network toward European buyers. Vice President Cevdet Yılmaz stated that the pipeline's infrastructure is intended to support the island's long-term energy supply.

Neither government has provided a thorough cost breakdown for the project, and officials have so far focused their public comments on capacity, routing, and the strategic rationale of the corridor rather than finance arrangements. After the memorandum of understanding is transformed into legally binding commercial agreements, it is typical for construction contracts, engineering firms, and exact budget estimates to be verified at this stage of a state-to-state pipeline arrangement.

There is a clear timeframe. The onshore and offshore sections will be constructed simultaneously, according to Ankara authorities, and the 2028 deadline is intended to align with Turkey's broader initiatives to expand its subsurface gas storage capacity and LNG import infrastructure during that same period.

The Importance of Timing

The project is being undertaken at a time when the long-promised gas province in the Eastern

Mediterranean has not yet developed a clean, profitable export route to European markets. On the other hand, Europe is still getting over its decision to cut off pipeline gas from Russia. However, there is no denying the reserves in the region. Israel's Leviathan and Tamar resources were discovered in 2009 and 2010, respectively, and are now producing and exporting.

Chevron announced a final investment decision in January 2026 to increase Leviathan's production capacity to about 21 billion cubic meters per year. Egypt is becoming a regional hub for LNG processing thanks to its enormous Zohr field, whereas Cyprus's own Aphrodite field, which was found in 2011 and is thought to contain four to six trillion cubic feet of recoverable gas, is still under development.

An effective method of transporting that gas to Europe has been lacking. Due to its high cost, technical challenges traversing some of the deepest water in the Mediterranean, and unresolved financing, the long-discussed EastMed pipeline, which would have gone straight from Israeli and Cypriot waters to Greece and Italy, avoiding Turkey completely, is still on hold. Smaller options, like a proposed \$400 million subsea link between Israel and Cyprus with a capacity of about 1 billion cubic meters annually, have advanced, but they would still require the majority of Eastern Mediterranean gas to travel through Egyptian liquefaction terminals or other indirect routes in order to reach European consumers.

By providing current pipeline connections into southeastern Europe instead of necessitating a new subsea link across open water to Greece or Italy, a Turkish transit corridor would avoid those challenges. Regardless of the Cyprus pipeline, Ankara has been pursuing that exact strategic logic for years. In addition to hosting the TurkStream and TANAP pipelines, Turkey has made significant investments in LNG import terminals and subterranean storage, establishing its region as a hub for regional gas trading and balancing rather than just a transit corridor, according to analysts.

Corridor with Political Tension

A legal and diplomatic dispute that has influenced Eastern Mediterranean energy politics for more than ten years complicates the project's business logic. Since gaining independence in 1983, only Turkey has acknowledged Northern Cyprus. The internationally recognised Republic of Cyprus, the European Union, and the United Nations all believe that the northern part is under Turkish occupation. The Ministry of Foreign Affairs of the Republic of Cyprus has declared that the Turkey-TRNC pipeline agreement is unlawful under international law and that it directly violates Cypriot sovereignty and territorial integrity. The Republic of Cyprus maintains that it has exclusive

legal rights over the island's offshore exclusive economic zone.

Olgun Amcaoglu, the Turkish Cypriot Energy Minister, has refuted that description, claiming that the project ensures the north's energy future and that true regional cooperation necessitates acknowledging what he referred to as the sovereign equality of Turkish Cypriots.

This framing encapsulates the larger disagreement at the core of the frozen conflict on the island, which has also frequently complicated offshore drilling by foreign energy firms operating in waters claimed by both Turkey and the Republic of Cyprus.

Turkey's maritime claim has always been a hindrance to energy-related development in the Eastern Mediterranean region. Ankara has repeatedly rejected exploration licenses granted by Nicosia for blocks it believes overlap with Turkish or Turkish Cypriot continental shelf claims. Further, Turkish naval vessels have previously observed drilling operations hired by the Republic of Cyprus. In the future, any Cypriot or Israeli gas exporter eyeing the Turkish transit route will have to face two challenges. They will have to negotiate the commercial terms as well as an ongoing sovereign dispute. Commercials can be taken care of, but how will they deal with a dispute in which neither side wants to compromise? The pipeline is specifically intended to eventually carry regional gas through Turkish territory.

Implications for the Area

Northern Cyprus has an immediate and unarguable advantage from this pipeline. It will receive a more dependable and affordable electricity supply. This will further aid in the region's larger electrification plans, replacing pricey liquid fuel imports with piped natural gas. The project supports a long-term energy security strategy for Turkey. Turkey imports about 60 billion cubic meters of natural gas annually. However, since production started at the Sakarya field in the Black Sea in 2023, that reliance has been in gradual decline. In addition to a new 75 billion cubic metre discovery reported in the same offshore basin last year, output there has further increased to 10 million cubic metres per day. Ankara is aiming for a rise toward 20 million cubic metres per day as more phases come online. If the second phase of the Northern Cyprus pipeline ever comes to pass, it would be the first time that this domestic and regional energy strategy is extended into the gas basin of the Eastern Mediterranean.

A different and much less certain question that depends more on politics than engineering is whether the pipeline will ever achieve its second-phase goal of transporting gas from the Eastern Mediterranean to Europe. That result will be significantly impacted by the unresolved reunification negotiations in Cyprus, the legal status of offshore blocks, and the willingness of gas producers like Israel or a future developed Aphrodite field to route exports through a corridor that Nicosia views as illegal. As of right now, Turkey and Northern Cyprus have constructed a funded, concrete pipeline that connects two regions across the sea. They are placing a wager on the possibility that the same steel and concrete could eventually transport gas much farther, into a European market that is still looking for a reliable way out of the Levant Basin and alternatives to Russian supply.



THE BIG CENTRAL BANK DESYNCHRONISATION OF 2026



projection at 3.8%, up from 3.4% in March. According to Governor Christopher Waller, the balance of risks has entirely shifted from labour market weakness to containing inflation. That change was further supported by May's CPI report, which showed a 4.2% year-over-year increase, the fastest rate in three years. Markets currently give the July 28-29 meeting a roughly one in four chance of a hike, and the June meeting's minutes showed that the committee was roughly evenly split on whether a hike would ultimately be required before year's end.

The major central banks of the world moved as one for almost three years. The Federal Reserve, the European Central Bank, and the Bank of England implemented the fastest coordinated tightening cycle in decades as inflation skyrocketed in 2022. They turned to collective cuts when price pressures finally broke in 2024. It was the crisis surrounding the Strait of Hormuz that enabled this broken coordination.

Due to a single, unresolved conflict in the Persian Gulf, the four major Western and Asian central banks as of mid-July 2026 occupy fundamentally different positions and are travelling at different speeds toward different destinations. Four distinct policy narratives have emerged from what started as a common inflation shock, and the differences are now significant enough for anyone handling funds, debt, or a balance sheet internationally.

Four Banks, Four Routes

Four meetings in a row have seen the Federal Reserve maintain its benchmark rate between 3.50 and 3.75%. The most recent meeting took place on June 17 under new Chair Kevin Warsh, who took over after Jerome Powell's term ended in May. The Fed's previous guidance toward rate cuts was subtly abandoned at that meeting in favour of an implicit tilt toward a hike; the updated dot plot showed the median year-end

The European Central Bank has already taken action. The Governing Council reversed what appeared to be a settled pause at neutral just months earlier on June 11 by raising its deposit rate by 25 basis points to 2.25%, its first increase since 2023. In May, core inflation increased from 2.2 to 2.5%, while Eurozone inflation reached 3.2%. Staff at the ECB lowered their growth estimate for 2026 to about 0.8%, and board members, such as Isabel Schnabel of Germany, predicted that inflation would reach 4% by year's end. The likelihood of another hike in September is heavily priced by markets, and that likelihood increased in early July after being overshadowed by fresh US-Iran strikes, leading to a more dovish tone expressed by ECB officials at the Sintra forum.

The Bank of Japan has even gone so far. In a 7-to-1 vote on June 16, it increased its policy rate by 25 basis points to 1%, the highest level since 1995. Citing rising wholesale inflation and a weakening yen that has been hovering around 160 versus the dollar, board member Naoki Tamura has argued for ongoing quarter-point increases at intervals of several months until Japan reaches a neutral rate near 2%. In contrast to the others, Japan's tightening is more of a long-overdue departure from ultra-loose policy, which has only made the Gulf shock worse. In a noteworthy admission from an organisation that spent a generation battling deflation rather than its opposite, Deputy Governor Ryoza

Himino has cautioned that underlying inflation could deviate upward from the bank's target.

The Bank of England remains motionless in the centre. On June 17, the Monetary Policy Committee voted 7 to 2 to maintain rates at 3.75%, with two members actually supporting an increase. The committee's statement that global energy prices had decreased since a ceasefire in mid-June but were still high and unstable in comparison to pre-conflict levels sums up the UK's whole situation: it is too weak to warrant tightening and too vulnerable to energy shocks to warrant cutting.

The Common Shock, the Uncommon Reaction

The fact that all four institutions are reacting to the same geopolitical event but coming to different conclusions is what makes 2026 unique. Iran's Supreme Leader, Ali Khamenei, was killed when the United States and Israel launched strikes against the country on February 28. The conflict has since progressed through a tumultuous series of blockades, ceasefires, and new strikes. Washington responded with its own naval blockade of Iranian ports after Iran closed the Strait of Hormuz, the route that carries about 25% of the world's seaborne oil trade, almost immediately.

On June 17, Iranian President Masoud Pezeshkian and President Trump signed an MoU at Versailles that temporarily reopened the strait and lifted the US blockade. It was not sustained. The truce broke down by July 8. After Iran attacked commercial tankers in the strait, Trump declared on July 13 that the blockade would

be reinstated, designating the US as the guardian of the waterway and suggesting a 20% toll on cargo passing through it. Before US naval escorts assisted in partially restoring flow, Brent crude surged more than 9% in a single session to settle near \$83 per barrel, its sharpest one-day gain in more than six years. The Energy Department reported that more than 8 million barrels transited the strait on a single day despite renewed fighting.

This is the desynchronisation's underlying mechanism. Each economy responds to the same shock, a spike in energy prices emanating from the Gulf, differently. The Fed is forced to adopt a hold or hike posture even as growth slows because the US, protected by domestic shale production, is primarily affected by rising gas and service prices on top of an already difficult inflation issue. In less than a quarter, the eurozone, which is more reliant on energy and was only months away from declaring victory over inflation, has seen a clear reversal from talk of rate cuts to talk of rate hikes. Higher oil prices only serve to reinforce the BoJ's already tightening path, as Japan's economy is already in the middle of normalisation after three decades near zero. Of the four, Britain has the least leeway because it is a major energy importer with a household pricing system that transfers wholesale costs directly to consumers.

Beneath the geopolitical layer is an institutional layer as well. Under an inexperienced chair who is still getting used to the committee, the Fed is navigating a leadership transition. Twenty member states with radically different growth trajectories, from a stagnant Germany to faster-growing peripheral economies, must have their interests



balanced by the ECB. A government that favours a more lenient course of policy to promote growth exerts subtle political pressure on the BoJ. Additionally, the BoE must set rates while fiscal policy moves in a way that makes its own battle against inflation more difficult. Each of these limitations has influenced how far and how quickly each institution has been willing to move in response to the same oil shock, but none of them alone caused the divergence.

What the Rest of Us Pay for Divergence

Press releases from central banks are just one aspect of the consequences. Inconsistent signals are being absorbed by currency markets. The demand for safe havens and a hawkish Fed have kept the dollar strong while the BoJ's tightening should, in theory, strengthen the yen. Instead, Goldman Sachs has lowered its 12-month dollar-yen forecast for Japan to 165, indicating how uncertain the situation is still. The 10-year Japanese government bond yields have already risen above 2.6% due to the unwinding of Japan's massive yen carry trade, where investors have long borrowed cheaply in yen to fund higher-yielding bets elsewhere. Further BoJ tightening raises the possibility of a more disorderly unwind that could affect equity and credit markets far from Tokyo.

The squeeze on emerging markets is well-known. Dollar borrowing costs remain high for economies that financed themselves in dollars during the years of low interest rates if the Fed is unable to ease. Because long-term yields are pricing geopolitical risk premia rather than central bank guidance, mortgage and corporate borrowing costs in advanced economies continue to be higher than headline policy rates alone would imply. Companies that have dollar-denominated debt or cross-border supply chains are navigating a situation in which the standard strategy means that rates will move roughly together, which no longer holds legitimacy. It is becoming more difficult to model hedging costs, funding costs, and translation risk on foreign earnings, even for companies that are not directly exposed to the Gulf.

What is the End Goal?

There are three main routes ahead, all of which depend more on the Gulf than on any model that a central bank can implement. Energy-driven inflation will decline, the Fed and BoE will resume easing, the ECB will back off from hike talk, and the BoJ will continue its measured normalisation if the conflict actually de-escalates and Hormuz traffic normalises. Gradually, convergence resumes. The Fed and BoE remain stuck, the ECB hikes once more, and currency and bond market volatility increases if the conflict continues with sporadic blockades and tanker strikes, as the last six weeks suggest is conceivable. Though it is still a tail risk rather than a base case, a third, more dire scenario could be a shock big enough to send a major economy into recession that might push all four back toward collective cutting, mirroring 2008.

For the time being, executives, investors, and policymakers can learn a simple lesson: do not assume that rate paths will converge. Until the Strait of Hormuz ceases to make headlines, the unpredictable variable that has caused the world's central banks to become four institutions solving four different equations is unlikely to resolve itself.



AUSTRALIA'S CENTRAL BANK FINDS NEED FOR IMPROVEMENT IN ASX'S GOVERNANCE AND RISK MANAGEMENT

The Reserve Bank of Australia (RBA) has said that the clearing and settlement facilities of the Australian Securities Exchange (ASX) have continued to fall short of its expectations in important areas like governance and risk management, despite making some progress this year. ASX has been closely monitored since 2022, when it discarded its blockchain-based CHES replacement project, following a number of operational disruptions. Regulators soon began demanding improvements in governance, technology resilience, and risk controls, leading to stricter regulations. In its most recent assessment of the securities exchange, the central bank found that one or more facilities only partly met the requirements pertaining to governance, comprehensive risk management, credit risk and operational risk. The RBA expressed its concerns that the ASX had not appropriately prioritised the interests and obligations of the clearing and settlement facilities.

Austraclear, ASX's debt securities settlement facility, received a 'partly observed' rating for operational risk standards. The RBA emphasised that much work was needed across the ASX clearing and settlement facilities to ensure critical services could withstand

severe or prolonged disruptions. According to RBA Assistant Governor (Financial System) Brad Jones, the exchange operator is undergoing substantial organisational change as a result of some long-running problems.

The ASX had set up a Transformation Portfolio during the year to address these challenges. While the RBA had set some clear expectations for target outcomes, it did not offer a proper timeline within which these goals must be achieved. The central bank maintained that while the ASX had made some progress in the past year, it is still far from meeting the RBA's expectations in several important areas.

The RBA reported that no new recommendations were made in this year's assessment, adding that it would be closely supervising the ASX during the next assessment period. It will focus on the ASX's improvement areas, like the governance and independence of the clearing and settlement facilities, and operational and cyber resilience. This assessment of the ASX was brought on after the Australian Securities and Investments Commission launched an inquiry in June, when longstanding shortcomings in governance, capability and culture were discovered.

UZBEKISTAN ENACTS HISTORIC ISLAMIC BANKING BILL & ESTABLISHES SILK ROAD TECH HUB

Uzbekistan is undergoing a paradigm shift in its economy, moving from a landlocked Central Asian republic to a transit point for capital, technology, and financial services. This shift recently reached a crucial milestone with the establishment of a historic Islamic banking system and the successful organisation of the first-ever Silk Road Finance & Technology Forum. Both these moves mark a strategic effort to marry the historic trading tradition of the region with the demands of the digital age economy.

The timing of both these initiatives comes during a time of strong economic momentum. According to data released by the Uzbek government, the country experienced GDP growth of 8.5% in the first six months of 2026, while foreign investment rose

to \$8.3 billion during the first three months of the year. The credit rating agency, Moody's Investors Service, upgraded the sovereign credit rating of the country to Ba2 in June 2026.

Legal framework for Islamic finance

Undoubtedly, the most important event in terms of regulation in the year under discussion was the promulgation of Law ZRU-1126, which became the first-ever Islamic banking legal framework in the country. This law was signed by the country's president, Shavkat Mirziyoyev, in March and entered into force on 29 June 2026. It creates a dual banking system in which institutions that operate in accordance with Sharia can coexist with traditional banks. Such an act is not about diversification of product range only, but about the creation

of a structural framework allowing incorporation into the financial sector of part of the population that had been out of the system in the previous years owing to religious reasons.

A licensing procedure has been established, and the Central Bank of Uzbekistan has created a special Council for Islamic Finance. It is this council that will set certain standards and control Islamic financial products' compliance with both Sharia principles and national regulations. Most importantly, the issue of tax neutrality has been addressed. In particular, there are VAT exemptions for sukuk and Islamic leasing. The Islamic finance strategy of Uzbekistan is applied through several steps. The first step involved the introduction of microfinance, where twelve institutions have begun their work. The second step refers to the on-

going process of developing the banking sector. The third step is related to the development of the Islamic capital market. A draft law on capital markets, including a chapter on sukuk, was successfully approved in parliament.

The Silk Road as a Digital Innovation Corridor

When it comes to the legal framework, there is the implementation part represented through the Silk Road Finance & Technology Forum that took place in Tashkent between 24 and 26. August 2026. This forum united more than 6,000 representatives from 74 countries, including 200 speakers and 25 major investors with \$4 billion in managed assets. The forum was jointly organised by the Central Bank and Global Finance & Technology Network from Singapore, with Ant International being one of the main partners of the event.

The last day of the forum was called "The Azimuth" and took place in the Islamic Civilisation Centre in Tashkent. The choice of venue positioned the topic of discussion of digital finance not as an exotic element brought from outside but as the continuity of the country's intellectual tradition. The main issues raised during the forum were related to how Islamic finance could be combined with digital infrastructure to develop the Sharia-compliant digital economy in Central Asia and connect it to the markets in the Gulf, Türkiye, China and Southeast Asia.

Roadmap for 2030: The National FinTech Strategy

At the same time, the forum was the setting where the National FinTech Strategy 2030 was announced. It includes rather ambitious plans, such as raising \$1 billion of foreign investment into the financial technology sector of Uzbekistan. It is expected to double the number of licensed fintech companies (from 103 to 200) and train more than 5,000 specialists for the sector. In order to kickstart this process, the Central Bank of Uzbekistan created its own \$50 million venture capital fund. This initiative is supposed to enable the financing of startups at an early stage in order to make investment less

risky for international venture capital funds. Another element of the strategy involves launching Regulatory Sandbox 2.0 and QFinex Quantum Test Bed; it provides a safe space for developing innovative technology solutions such as tokenisation, digital assets, and cross-border settlement systems.

The achievements of the previous digitisation efforts are evident already. The number of people using digital payment systems in Uzbekistan increased from 39% in 2021 to 71% in 2025, and cashless transactions account for 57% of all payments now. The reasons for that are a young population and digital identity, as well as open banking APIs, as priorities of the government. The task for the future now is how to use this domestic success to establish regional connectivity by creating payment infrastructure.

The five building blocks of transformation

The five building blocks used to implement this transformation have been established based on the region's intellectual legacy. The first principle is 'Al-Jabr', which implies the need to restore the missing parts of the financial system. The second one is 'Al-Muqabala', which means the balancing of components needed to build a sustainable ecosystem. Thirdly, 'Zarkaynar' means the creation of the marketplace of innovations. Fourthly, 'Saroy' means the creation of common infrastructure for all. Finally, 'Madrasa' implies developing the human capital necessary to achieve the stated goal.

Such an approach is used to solve one of the biggest problems of the global Islamic finance mar-

ket, which is the concentration of fintech firms. In fact, at present, 80% of all 484 Islamic fintech firms in the world are concentrated in ten countries. To break this concentration and become the gateway to Central Asia, Uzbekistan will provide the necessary infrastructure to scale Islamic fintech.

Financial Inclusion and Regional Gateway

Financial inclusion is another major theme of the reform efforts. According to the Global Findex report from the World Bank for 2025, there are about 1.3 billion adults worldwide who do not have a formal financial account. In Uzbekistan, according to the authorities, the solution to include unbanked individuals in the banking system is Sharia-compliant digital finance. By combining mobile phones and automated underwriting compliant with the Sharia, financial institutions can target those consumers who have no established credit history. The forum also discussed the issue of "coding" Sharia compliance directly into digital financial systems. Though different interpretations may exist, automated compliance tools would contribute to standardisation of products and lower costs related to scholarly supervision of Islamic financial services.

The Silk Road Finance & Technology Forum concluded with the "Azimuth Intent," an initiative to develop a financial innovation corridor connecting Central Asia with the world. For Uzbekistan, the aim is to become an interconnector of the Islamic finance market worth \$6 trillion and the digital economies of the East and the West. The modern Silk Road aims to be known for the movement of data, capital and innovation.

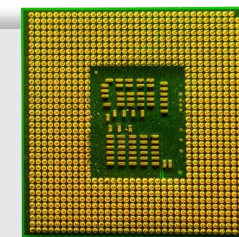
NEWS

Taiwan is set to invest another \$20 billion in the US as AI applications are rising. Washington is Taiwan's most important international ally and arms supplier, despite having no formal diplomatic ties with the China-controlled country. As part of its aim to expand its semiconductor manufacturing capabilities, the US has been urging Taiwanese companies to increase their investment in the world's largest economy.

While attending the SEMICON trade show in Taipei, Economy Minister Kung Ming-hsin affirmed that Taiwanese companies are actively investing in the US. He explained that Taiwan attended the SelectUSA Investment Summit in May, and since then, the government has assessed how many companies other than TSMC want to increase their share of investment in the US, which gave the ministry the \$20 billion figure. Although Kung did not mention which companies are investing more, he said that demand for AI and semiconductor chips has resulted in investor confidence.

TSMC's total planned US investment now stands at \$265 billion

TAIWAN'S COMPANIES TO INVEST AN EXTRA \$20 BILLION IN THE US BACKED BY STRONG AI DEMAND



after it announced in July that it would be adding another \$100 billion to the state of Arizona. At the same event, a US Commerce Department official who oversees the CHIPS Act expressed enthusiasm for the growing partnership between the two countries. The CHIPS Act is the US government's initiative to improve domestic semiconductor manufacturing.

According to news reports, Bill Frauenhofer, Executive Director of semiconductor investment and innovation at the department, described this development as a shared commitment to ensuring the semiconductor and electronics supply chain remains secure, resilient and innovative. He also said that such opportunities are important for the US to strengthen its critical technology capabilities and bring about more innovation.

Taiwanese companies' decision to invest more comes after President Trump's accusations that Taiwan is 'stealing' the semiconductor business from the US. The Taiwanese officials have, however, questioned the validity of such a statement, despite backing these companies to increase investments.



EMERGENCE OF AGENTIC AI IN CONTEMPORARY RETAIL: AUTONOMOUS COMMERCE

For thirty years, retail has taught consumers how to search, click, and compare. They might have much less work to do in the next phase. A shopper could set a goal, such as finding a dependable laptop within a certain budget, restocking household necessities before the weekend, or organising a birthday present that will arrive on time, rather than opening multiple tabs, reading reviews, entering payment information, and tracking a delivery. After that, an AI agent could conduct research, consider trade-offs, ask for approval, and finish the purchase.

This is what agentic commerce promises to deliver. An agent, unlike a traditional recommendation engine or chatbot, is designed to pursue a goal over several stages. It can negotiate within predetermined bounds, use external tools, remember preferences, and keep track of what transpires after checkout. Although the interface modification is minor, it may have a significant economic impact. Human website navigation is giving way to machine-mediated intent execution in the customer journey.

From Advice to Implementation

Product discovery has already changed as a result of generative AI. According to Bain, roughly 30% of US consumers use generative AI for product comparisons and recommendations, and some retailers now receive up to 25% of their referral traffic, albeit less than 1% of all traffic from AI. Before visiting a retailer's website, customers are starting to ask an assistant what to purchase.

Such behaviour is extended by agentic systems. A personal agent may choose a delivery window, apply a loyalty benefit, interpret a return policy, compare specifications between merchants, and pause before making a payment. Three new models are described by McKinsey: agent-to-site, agent-to-agent, and brokered

interactions, where a middleman arranges multiple platforms.

The search engines, marketplaces, and individual retailers might no longer hold the top of the funnel. The agent who comprehends the shopper's intent the best may own it. According to McKinsey, agentic commerce could generate up to \$1 trillion in US business-to-consumer retail revenue by 2030, with a \$3 trillion to \$5 trillion global potential. These are hypothetical situations rather than assurances, but they demonstrate why the matter has shifted from futuristic conjecture to boardroom tactics.

The Retailer's New Visibility Issue

Discoverability without direct control is the main problem facing retailers. In the conventional model, a company spends money on advertising, draws customers to its website, and collects information from their browsing and checkout. That sequence could be condensed by an outside agent into an API call and a recommendation. The customer relationship, behavioural cues, and the ability to influence the basket are all lost, even though the merchant may still own inventory and fulfilment.

An agent may be motivated to choose one merchant over another by exclusive goods, unique services, reliable fulfilment, robust loyalty programs, and clear return policies. Retailers must have clear catalogues, accurate inventory, machine-readable policies, and APIs that reveal valuable information without giving up strategic control, to be readable by both humans and machines.

Every essential retail function in agentic commerce needs a new source of advantage. Relevance, structured product data, and reliable recommendations will be more important for discovery than sponsored search and prominent placement. Conversion will shift from checkout

processes and optimised webpages to safe, machine-performed transactions.

Points, promotions, and first-party accounts will give way to customer-controlled preference settings, portable identities, and transferable benefits. Delivery speed and service quality will continue to be the foundation of fulfilment, but retailers will also need to make trustworthy, verifiable promises that AI agents can evaluate and rely on.

Payments turn into a Foundation of Trust

One cannot consider a shopping agent to be just a quicker browser. Authorisation, identity, spending limits, and a clear record of who approved what are all necessary. Tokenisation, agent authentication, and machine-to-machine transaction protocols are thus the focus of new initiatives from Visa, Mastercard, payment providers, and technology platforms.

Removing the customer from commerce completely is not the aim. Its purpose is to enable safe and reversible delegation. Customers may give an agent permission to spend up to \$150 on groceries, refuse substitutes that cost more than a specific amount, and demand clear confirmation from a new merchant. While maintaining significant control, such policy-based permission is more beneficial than requesting users' approval for each small action.

Visa's research in Australia, New Zealand, and the US all leads to the same conclusion. Approximately two-thirds of consumers surveyed say they use or would use shopping agents to find better deals or save time, but nearly nine out of ten want to know how an agent makes decisions. Approximately 85% of respondents think it's crucial to have control over data collection and deletion, and over half would not use an agent without it.

A New Retail Operating Model

Rather than promising completely autonomous shopping, the response should start with limited use cases. Relatively low-risk applications include finding a gift within specific constraints, comparing regular purchases, and reordering well-known items. They can show their worth while enabling retailers to test customer service, fraud controls, authorisation, and exception handling.

Retailers should choose where they wish to participate and where they wish to build. A

proprietary agent can maintain first-party relationships and strengthen loyalty. Reach can be increased through compatibility with outside agents. A branded assistant for high-value experiences and an open, well-managed interface for customers coming from elsewhere might be necessary for the strongest position.

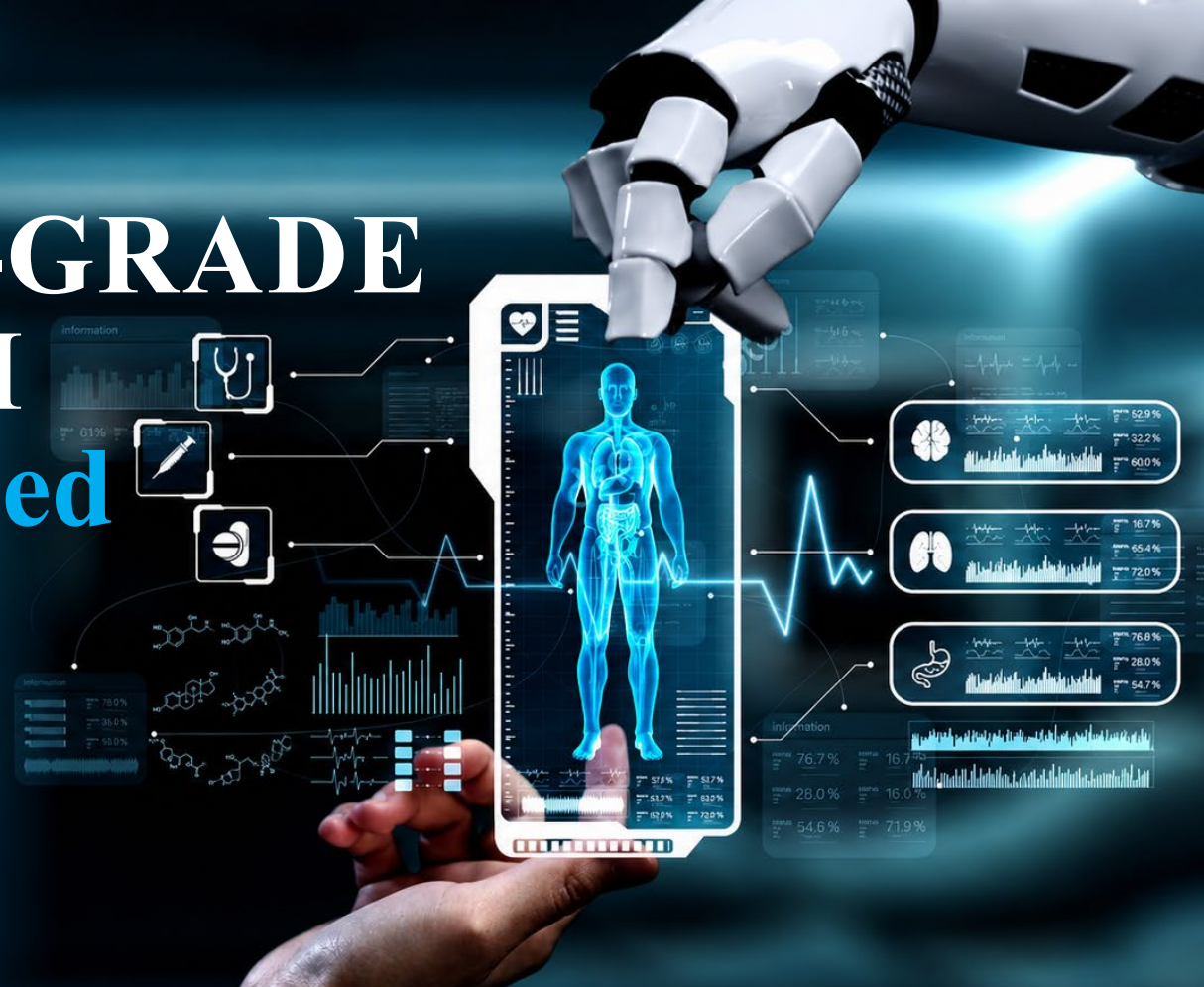
For a system to accurately respond to an agent in real time, merchants must integrate catalogue, pricing, inventory, payments, identity, logistics, returns, and customer service. Biased recommendations, illegal purchases, privacy, counterfeit goods, abuse of promotions, and the challenging issue of liability when an agent makes a mistake must all be covered by governance.

The retailer with the most independent agents won't always be the winner. While its own data and customer relationships continue to be valuable, it will be the one whose policies, promises, and products many agents can rely on. In this setting, customers may be more loyal to an outcome - the right product at the right price delivered as promised - than to a storefront.

The introduction of autonomous commerce will not happen all at once. Several minor permissions, safe payment systems, and more competent digital intermediaries will lead to its emergence. Retailers can influence that shift if they get ready now. Those who wait might find that the agent deciding where to place the order is now the most significant client in the transaction, rather than the person holding the phone.



CLINICAL-GRADE HEALTH AI is being pushed by both Anthropic and OpenAI



A I companies avoided discussing the healthcare sector for years because it was too regulated, too risky, and too slow-moving to pursue aggressively. That caution is no longer present. Both OpenAI and Anthropic have identified healthcare as one of their key growth verticals over the last six months, releasing rival suites of consumer and enterprise products in a matter of days. Google has also jumped into this race. However, how hospitals, insurers, and patients will engage with AI is changing due to the competition between OpenAI and Anthropic, two businesses with radically different views on how AI should be used in clinics.

Same Prize Different Bets

It has been difficult to ignore the announcements. On January 11, Anthropic unveiled Claude for Healthcare, purposefully timing it to align with the JP Morgan Healthcare Conference in San Francisco, only a few days after OpenAI unveiled ChatGPT Health on January 7. On January 13, Google released MedGemma 1.5, an open medical imaging model.

One week, three competing healthcare launches, three major labs. Instead of being a coincidence, industry observers have referred to this clustering as proof of direct competitive pressure.

According to reports from PYMNTS and other observers of the field, the two top labs are actually pursuing quite different strategies when you look past the synchronised timing. In addition to selling enterprise tools to hospitals, OpenAI is developing

healthcare as an extension of its consumer platform. It is wagering that the hundreds of millions of people who currently ask ChatGPT about their symptoms can be transformed into a health data ecosystem.

Anthropic, on the other hand, has specifically steered clear of the consumer health play in favour of enterprise-first, narrowly focused deployments targeted at payers, clinicians, and life sciences researchers.

Eric Kauderer-Abrams, who is in charge of Anthropic's entry into the industry, states that the company's strategy focuses on developing tools that are linked to the platforms that healthcare professionals currently use, with a focus on models that perform at a superhuman level across payer, provider, and life-sciences use cases. In stark contrast to OpenAI's approach, Anthropic has stated that it is laser-focused on healthcare enterprise clients rather than chasing consumer health traffic.

Consumer-to-Enterprise Funnel by OpenAI

OpenAI has very lofty goals. According to the company, over 230 million people worldwide ask health and wellness-related questions each week; this volume of usage far exceeds what a hospital's marketing budget could purchase. Its approach takes advantage of the fact that ChatGPT Health, which is still waitlist-only, enables users to safely connect fitness information and medical records from services like Apple Health and MyFitnessPal.

To improve that consumer offering, OpenAI purchased the health records startup Torch in January to create what it refers to as a single "medical memory" for patients. Hospitals can incorporate OpenAI for Healthcare models into clinical decision-support tools, care coordination, and documentation by using its APIs and HIPAA-compliant business agreements.

Boston Children's Hospital has started implementing the tools, and eight major health systems, such as Cedars-Sinai Medical Centre and HCA Healthcare, are already clients. Using OpenAI's models for administrative tasks, Florida-based AdventHealth, which runs over 50 hospitals, reported an 80% time savings.

A sign of how important the industry has become to OpenAI's larger turnaround story is that Sam Altman himself reportedly participated in sales calls with hospital executives. OpenAI reportedly made \$13 billion in revenue in 2025, but its net loss skyrocketed to about \$39 billion. The company is reportedly considering delaying its planned IPO after failing to meet internal revenue and user targets. Healthcare accounts for 20% of the US economy; one of the few markets big enough to shift those numbers is the economy. There is significant risk associated with that scale. In more than half of pertinent cases, ChatGPT Health failed to suggest a hospital visit when medically necessary, and it under-detected

some patients expressing suicidal intent when they described a particular method, according to a study published in February in Nature Medicine.

About two-thirds of users were sent to unnecessary care for non-urgent cases; this type of false-positive traffic could put additional strain on an already overburdened healthcare system. The episode also highlights the tension in OpenAI's approach- the same consumer scale that makes its healthcare push formidable also makes its mistakes highly visible.

To handle this, OpenAI has put together a network of over 260 doctors who rate responses and red-team its models, examining over 700,000 sample interactions to improve accuracy. Although OpenAI admits its models still have trouble identifying when they lack sufficient information to provide a safe response, the company's own HealthBench, which rates models against about 48,000 clinical criteria, shows consistent improvement.

Anthropic's Trust-First, Narrow Path

The wager made by Anthropic is structurally distinct. Instead of bringing a mass-market chatbot into the medical field, it has developed Claude for Healthcare and Claude for Life Sciences as specialised layers on top of its enterprise platform.

These layers are wired directly into the data infrastructure that researchers and clinicians already trust, including the National Provider Identifier Registry, the CMS coverage database, ICD-10 coding systems, and research repositories like PubMed and ClinicalTrials.gov. Instead of having an open-ended discussion, the goal is workflow-specific: prior authorisation reviews, medical coding, clinical trial protocol drafting, and regulatory submissions.

AstraZeneca, Sanofi, Genmab, Banner Health, Flatiron Health, and Veeva are just a few of the pharmaceutical and hospital companies listed on Anthropic's list of enterprise partners. Claude is said to have cut the time required to draft a Phase II clinical trial protocol from several days to roughly an hour in one demonstration. After implementing an AI-assisted pipeline, Novo Nordisk reported a 94% headcount reduction in a particular report-writing workflow, and Elation Health, a provider of electronic health records, reported a 61% reduction in clinician documentation time using Claude. Anthropic has also

cautiously made a move toward customers. Due to its January partnership with HealthEx, subscribers of Claude Pro and Max can link their personal medical records, which are sourced from over 50,000 health systems, and ask straightforward questions concerning lab results or medication history. Claude requests only the categories of data that are likely pertinent to a particular question rather than the user's complete chart; Anthropic frames this design decision as a privacy safeguard. The objective, according to company product lead Amol Avasare, is to base routine enquiries about lab results and doctor visits on a patient's personal medical history.

Clinical Deployment Lags as Benchmarks On Rise

Businesses cite rising benchmark scores as proof that their models are gaining clinical credibility. Anthropic claims that its Claude Opus 4.5 models improved on MedCalc, a gauge of medical calculation accuracy, and scored 92.3% on MedAgentBench, a Stanford-created test of medical agent task completion. Google's MedGemma 1.5 demonstrated double-digit gains in MRI disease classification along with comparable MedAgentBench scores. Notably, OpenAI has relied on ChatGPT Health's sheer usage volume for validation rather than releasing head-to-head benchmark numbers.

All three companies take care to clarify that benchmark performance on carefully chosen test sets is not the same as exam-room safety. ChatGPT Health is not meant for diagnosis or treatment, according to OpenAI. According to Anthropic, Claude's results are not meant to directly influence clinical diagnosis or treatment choices. Google presents MedGemma not as a completed clinical tool but as a starting point for developers to modify. The FDA has not approved any of the most recent releases from OpenAI, Anthropic, or Google as medical devices, and the legal question of when a support tool becomes a clinical decision-making product is still mostly unanswered in the United States, both in the US and overseas. Where actual deployments take place is shaped by this ambiguity. Instead of providing direct diagnostic support, institutions are focusing adoption on lower-risk, higher-volume administrative workflows, such as billing codes, claims appeals, documentation, and



regulatory paperwork. For example, the National Health Insurance Administration of Taiwan extracted structured data from 30,000 pathology reports using Google's MedGemma for policy analysis rather than treatment choices. Both OpenAI's and Anthropic's enterprise rosters show this pattern, with the most ostentatious features farthest from the patient's bedside.

Implications for the industry

The two top labs are essentially placing different bets on how a cautious, liability-conscious industry will actually change. For hospital executives, the practical decision is increasingly not whether to adopt AI but rather whose architecture to build around. With hundreds of millions of weekly ChatGPT health queries, OpenAI is betting that consumer familiarity will draw in enterprise buyers.

Investors see potential in both directions, but it is uneven. The managing partner of health-focused Aegis Ventures, John Beadle, has stated that he is more optimistic about OpenAI's potential to succeed with consumers than with enterprise health systems. This statement goes right to the core of the industry's scepticism. The days of AI firms viewing healthcare as a side project are over.

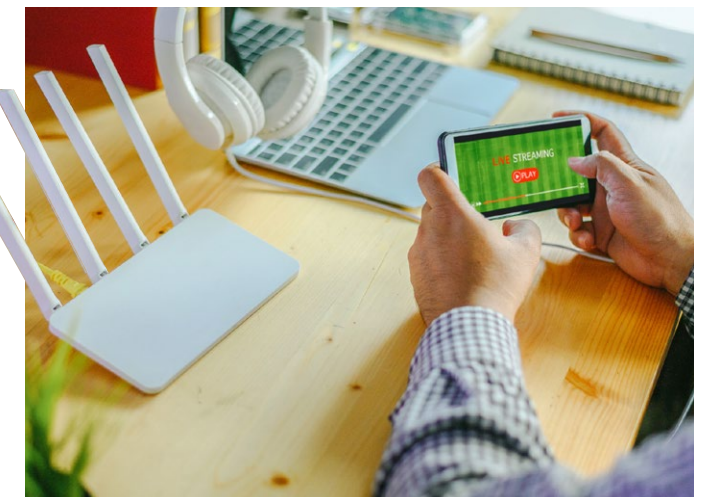
The battle for the next generation of clinical AI infrastructure has grown to be one of the most important contests in enterprise technology, with Google now directly competing and dozens of startups building on top of the models of all three labs. The outcome will affect not only corporate balance sheets but also how millions of patients and clinicians experience medicine in the years to come.

HUAWEI AND HP INK MULTI-YEAR-CROSS-LICENCE WI-FI PATENT DEAL

Huawei Technologies and HP Inc. have signed a multi-year cross-licence agreement covering Wi-Fi technology patents, including the latest Wi-Fi 7 standard. Through this deal, the two companies have gained access to each other's patents, with neither party disclosing the financial terms of the partnership.

US-headquartered HP has maintained that this deal does not represent a broader commercial or strategic collaboration with Huawei. The agreement is limited to a standard-essential patent licence covering Wi-Fi technology, which is essential for the company. China's Huawei, on the other hand, has yet to reveal the scope of the patents it would receive from HP.

A standard-essential patent includes inventions which such tech manufacturers would require to develop products

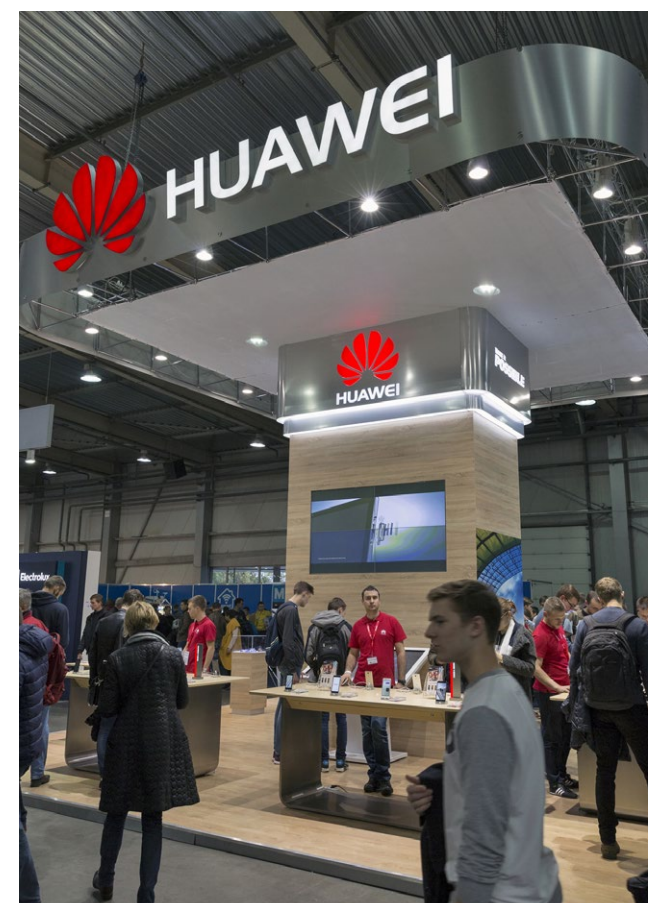


compliant with the industry. Such licences are the norm for computer, phone and other device manufacturers which connect to wireless networks.

Huawei has spread its patent portfolio and licensing business in recent years, having reached settlements with some of the biggest tech giants in the world, like Amazon. The company also holds the patent needed to implement Wi-Fi 6. Despite US regulations mandating American carriers to remove their equipment from US networks, Huawei remains one of the top global patent holders, upholding wireless standards.

A leader not only in the Chinese tech world but also internationally, Huawei confirmed that it has set a nominal fee of 50 cents for every consumer device using its Wi-Fi 6 technology. The company also said that in 2025 alone, over 1.6 billion consumer electronic devices have employed Huawei's Wi-Fi-related inventions. However, mobile phones were not included in this figure.

The agreement between Huawei and HP follows a lawsuit Huawei filed against HP last year at Europe's Unified Patent Court, accusing the US company of using its patented Wi-Fi 6 technology without permission. However, in November 2025, the lawsuit was closed when HP joined the Sisvel Wi-Fi 6 patent pool. This pool gives companies access to nearly 2,000 necessary patents for Wi-Fi 6 products through a single agreement.



CHINA WINS ON VOLUME, US ON VALUE IN THE HUMANOID ROBOT PATENT RACE

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The Disparity in Scale is Huge

The numbers at the top are striking. By the end of last year, China held 63% of the global portfolio strength and 73% of the active morphology-related patent portfolio worldwide. This includes patents about the physical form and structure of humanoid robots. This dominance has grown at a rapid pace. China-based inventors have increased their patent activity by about five times in control and planning architectures. They lead by having

applied two and a half times more in morphology, and two times in interaction systems over the last ten years.

A different patent-count analysis from research firm GreyB offers a more blunt view by using a larger dataset from 2006 to 2026, showing the disparity. In the field of humanoid robotics, China has 9,975 patents, nearly four times the US's 2,574 and more than four times Japan's 2,235. With just over a thousand submissions, South Korea comes in third, far behind Germany, India, and France.

The timing of the acceleration is noteworthy. After almost ten years of comparatively steady activity, morphology-related patent filings began rising dramatically in 2023. This suggests that innovation is shifting away from the enabling technologies that underpin robotics and toward the actual physical embodiment of the robots themselves. The industry has simply shifted from demonstrating that robots can think to demonstrating that they can walk, balance, and handle objects in the real world, and China's patent applications have closely monitored this change.

Where the United States Still Wins

The story's quality appears differently. Despite making up only 5% of active morphology-related patent families, US-based inventors contribute 11% of the global portfolio strength, more than doubling their share by volume. The most convincing quantitative proof that American humanoid robotics patents are typically more fundamental and more widely protected across jurisdictions than the typical Chinese filing is the difference between share of filings and share of strength.

John Koetsier, a contributor to Forbes, summed up the trend by pointing out that different metrics cause different country rankings. When it comes to morphology patents, South Korea is ranked second by sheer count, followed by Japan. The US is ranked last among the major players, but when it comes to portfolio strength, the US position significantly improves. According to several analysts, the US is still outperforming China on a per-patent basis even though it only filed a small portion of the patents. This is not to say that China has failed to develop quality alongside quantity.

The Startup Leaderboard is a Narrative unto itself

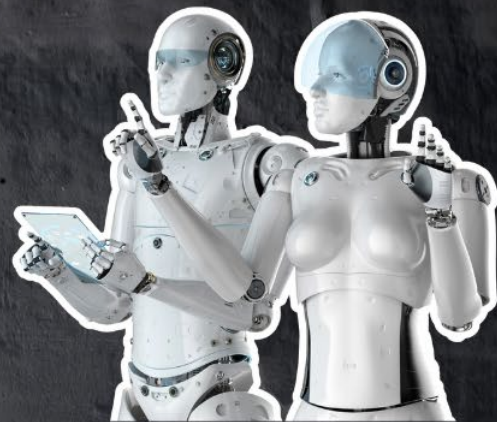
In addition to national totals, the LexisNexis analysis ranked specific humanoid robotics startups based on the strength of their patents. The findings highlight the extent to which Chinese companies have made both commercial and technical advancements. Six of the ten positions for the most inventive humanoid robotics startups globally are held by Chinese businesses, with Shanghai-based Fourier and AgiBot coming in first and second, followed by Shenzhen-based LimX Dynamics and Pudu Robotics and Hangzhou's Unitree Robotics. When ranked by quality-weighted portfolio strength rather than just patent count, those same five companies- Fourier, AgiBot, LimX Dynamics, Pudu Robotics, and Unitree Robotics have completely dominated the top five spots.

American competitors are present but lag. Figure AI was ranked sixth, Appteronik was ranked eighth, and Agility Robotics was ranked tenth among the ten US companies. The





VS



only European company to make the list was Agile Robots of Germany. Leju Robotics of Shenzhen also earned a place, placing ninth.

In the data, one company stands out as an exception to a more general trend. The majority of companies with the strongest overall patent portfolios, including Alphabet, Nvidia, Fanuc, Kawasaki Heavy Industries, Intuitive Surgical, and Samsung, have treated humanoid robotics as merely a tiny portion of much larger patent estates centred around surgical robotics, industrial automation, or AI infrastructure. Humanoid robotics patents make up less than 10% of the total holdings for nine of the top ten companies. China's UBTECH defies convention. According to the study's framing, the company is a case study of how targeted investment can directly translate into commercial scale because it has 370 relevant patent families and more than a quarter of its total patent portfolio is devoted to humanoid robotics technologies.

The Split is Important for Commercial Viability

Analysts covering the findings have taken care to distinguish between market share and patent portfolios. Patent strength and shipment volume are important, but buyers assessing humanoid robots still require proof of task performance, uptime, deployment history, cost, and support before making decisions robot by robot, according to one industry blog that covered the report. Trade barriers are also not respected by patents. Regardless of whether any Chinese humanoid robot is ever approved to enter the US market, China accounts for 73% of morphology filings in patent offices worldwide.

The last point has become even more important in light of recent changes in US policy. Similar to previous limitations on telecom and semiconductor equipment, Washington has started viewing humanoid robotics as a national security issue. Chinese humanoid and quadruped robots are now prohibited from being imported due to the Federal Communications Commission's addition of them to its national security Covered List. Forbes observed that the US ban on foreign robots is meant to encourage domestic development and commercialisation, which could

eventually increase the number of US patents while doing nothing to lessen China's current lead in filings already on the books. Forbes noted that this kind of restriction could reshape the innovation race going forward.

The Race is Divided Rather than United

When combined, the data reveal a technology race that is dividing along well-known lines: China is developing enormous scale through aggressive filing, quick commercialisation, and deep integration between research institutions, startups, and manufacturing capacity, while the US is depending on a smaller but more concentrated pool of high-value innovation, which is now strengthened by trade barriers intended to preserve that advantage. While acknowledging that both nations are making simultaneous progress on both fronts, Forbes straightforwardly presented the likely trajectory, describing a race in which China leads on patent volume and the US excels on patent quality.

It remains to be seen if that superior edge will last. The strength gap that the LexisNexis analysis currently indicates in favour of America may close as Chinese companies invest heavily in morphology-related filings and as businesses like UBTECH demonstrate that concentrated patent investment can support real commercial scale. But for the time being, the figures provide a clear scorecard. The volume has been built by China. The US continues to wager that the future of humanoid robotics will be determined by quality rather than quantity. as a single "medical memory" for patients.

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GUYANA'S ECONOMY IS EXPECTED TO GROW AT THE FASTEST RATE IN THE WORLD

The coastline, once adorned by fishing boats, no longer runs on fish. Floating production vessels and oil tankers are the new normal on the horizon off the coast of Georgetown. Guyana, with a population of just one million people, was once among the poorest in the Western Hemisphere. Now, it is expected to have the fastest economic growth of any nation in the world in 2026. The world might be struggling with the Middle East's ongoing conflict, but Guyana's growth is being accelerated by this conflict.

Neglected Rainforest State to Petro-Power

Guyana witnessed an economic growth of 43.8% in 2024. In 2025, that growth fell to 19.3%, according to the International Monetary Fund's

(IMF) April 2026 World Economic Outlook. Growth projections tend to fluctuate significantly in 2026. The majority of this is due to an oil price shock coming from the US-Iran war. The April IMF prediction for Guyana stood at around 16.2%. However, the recent incubation of newer data points pushes it close to 23%. At that rate, Guyana would once again be the top performer among the 190 economies which the Fund monitors. Contrarily, Guyana could grow five to seven times faster than the rest of the world. This is especially due to the global economy having a global average growth rate of 3.1-3.4% for 2026.

The change would turn out to be unbelievable when realised. ExxonMobil discovered oil in the Stabroek block about 120 miles offshore in 2015. Back then, Guyana's GDP was only \$4.28

billion. In 2021, it almost doubled to reach \$8.04 billion. As per the data from the World Bank, it almost doubled once more to \$14.72 billion by 2022, further reaching \$24.66 billion in 2024. In less than ten years, that amounts to about a 500% increase. The GDP per capita has also increased, rising to an estimated \$33,167 in 2026 from \$26,994 the previous year.

The Remarkable Boom is Amplified by the Iran War

The US and Israel began their war against Iran in late February 2026. Even before that, Guyana's economy was already expanding at the fastest rate in the world. The conflict just acted as an additional catalyst to an already accelerating economy, giving benefits similar to a windfall. Buyers started searching worldwide and started scrambling



for crude from outside the Middle East when the Strait of Hormuz was looking like a missile target. The strait typically administers the passage of 20% of the world's seaborne oil and LNG. One of the main benefits of Guyana was that it had direct and unhindered access to the Atlantic and no chokepoint that could be blocked.

Guyana pumps out four grades of crude, prized for their light to medium sweet quality. Hence, the spot prices of these grades increased significantly. Guyana has a benchmark, Liza, for its main export-grade crude; it increased from \$68.98 per barrel on February 27 – the day before the war started, to a high of \$120 per barrel in just three months. Due to the disruption, weekly oil revenues, which were approximately \$370 million before the war, are said to have increased to \$623 million.

The International Energy Agency's (IEA) executive director, Fatih Birol, has stated that the strait crisis could permanently change the world's energy map, as the area is no longer seen as a reliable source of gas and oil. The conflict causes significant economic hardship for energy importers around the world. However, the change has been an obvious commercial benefit for a nation like Guyana that is completely outside of that geography.

The Boom's Impact on Figures

By all historical standards, Guyana's production growth has been extraordinary. Guyana has an Exxon-led oil consortium made up of Exxon, Hess (now owned by Chevron) and China's CNOOC. This consortium controls almost all of the nation's output. Their production stands at 900,000 barrels a day. This achievement is enormous considering production was nil only seven years ago. Guyana's ramp-up is almost unprecedented because offshore developments usually take twice as long to reach first oil.

The first half of 2026 saw record production from Exxon's Guyana operations. It also has three more projects, namely Uaru, Whiptail, and Hammerhead, which are presently under construction. Uaru is anticipated to deliver its first oil before the year is out.

By 2030, capacity from eight planned projects is anticipated to reach 1.7 million barrels per day. This would put Guyana at par with the established mid-sized OPEC producers. Stabroek Block co-venturers have promised more than \$60 billion for development to date. This would harness Exxon's estimated recoverable resource of approx. 11 billion barrels of oil. This makes up half

of all proven reserves in Qatar. By 2035, Guyana is expected to produce up to 2 million barrels per day. This would be equivalent to 2022 combined production figures of Colombia, Ecuador, Peru, Trinidad and Tobago, and Venezuela.

Guyana's proximity to the US and its low breakeven cost, which hovers in the range of \$25 and \$35 per barrel, have provided it



with some unconventional advantages that other producers in the region do not possess. This also makes it extremely immune to current price volatility. Guyana's production economics will remain profitable at levels far below where global benchmarks currently trade. This would also be the case even if oil prices eventually decline once the Middle East stabilises.

Building an Oil-Money Nation

Guyana's government has allocated significant funds for roads, schools, hospitals, and connectivity, in contrast to some previous oil booms that enriched a select few while neglecting the country's infrastructure. Over the last four years, 61 kilometres of highways have been constructed, and the government is currently

paving 450 kilometres of roads to connect the nation with Brazil. A \$260 million bridge over the Demerara River is being built by a Chinese company. Due to improvements in the country's telecommunications infrastructure, mobile phone subscriptions have more than doubled since 2011.

After his centrist PPP/C party won a resounding victory in

September 2025, President Irfaan Ali was reelected to a second term. He has frequently presented the government's strategy as an intentional attempt to avoid the fate of resource-rich neighbours who squandered their windfalls. Speaking earlier this year at the Baker Institute at Rice University, Ali declared that Guyana would not follow in the footsteps of too many energy booms that have left behind bitter populations and ghost towns. To avoid spending windfalls as they come in, the government created a sovereign wealth fund in 2019 that contains all oil revenue. Guyana has consulted Norway, which is considered the world leader in sovereign oil wealth management, for guidance.

Dangers that lie Beneath the Surface

The traditional risks of a resource boom, corruption, inequality, and an excessive reliance on one volatile commodity still exist despite these protections. Venezuela, Guyana's neighbour, serves as a warning about how political dysfunction and poor management can cause growth collapse in a nation with even greater oil reserves. The president of Exxon's operations in Guyana, Alistair Routledge, has openly admitted that rising oil prices are a mixed blessing because the same dynamic that increases

government revenue also drives up costs for average Guyanese.

Geopolitics is another aspect of the boom. Georgetown is at a precarious crossroads between two rival global powers as American corporations control the majority of Guyana's infrastructure investment while Chinese companies dominate the country's oil production. An additional layer of risk comes from a long-standing territorial dispute with Venezuela over the oil-rich Essequibo region, which makes up about two-thirds of Guyana's landmass and is located next to the Stabroek block. However, the threat has somewhat diminished since Venezuelan President Nicolas Maduro was overthrown earlier this year.

The trajectory is clearly visible at this point. Once primarily recognised for its colonial architecture and rainforests, this country has emerged as one of the decade's most significant energy suppliers, and a geopolitical crisis in the Persian Gulf thousands of miles away has only strengthened its position. The main concern for Guyana is no longer whether the country's economy will continue to expand at an explosive rate. The question is whether the nation can turn an exceptional run of oil wealth into long-lasting institutions and widespread prosperity before the boom slows down, as booms eventually do.

CHINA DOMINANCE STRENGTHENS IN CONGO'S MINERALS WITH ITS FIRST LITHIUM EXPORT

China is the recipient of the first-ever lithium shipment from the Democratic Republic of the Congo (DRC). Chinese mining giant Zijin Mining confirmed that shipments of lithium concentrate from its Manono project began moving toward China in June, a milestone that opens a new chapter in Congo's mineral story even as it reinforces Beijing's already commanding position across the country's cobalt, copper and now lithium supply chains.

A Disputed, Expedited Launch

A full month ahead of schedule, Zijin's Manono processing plant began production in May, and exports of crude lithium sulphate followed almost immediately in June. Five people familiar with the situation confirmed that exports began in June as scheduled. One person close to the situation stated that the material is being shipped solely to China. The scope of those early shipments is still small and unclear. While a second trader said the project has already produced tens of thousands of tonnes of concentrate, much of which is still in transit and might not reach China until October, one trader estimated volumes at just a few thousand metric tonnes so far.

After technical problems caused the processing plant's commissioning to be delayed, a mining executive speculated that the first loads were probably trial shipments. Trucks are transporting concentrate from Manono to the lakeside city of Kalemie, from where it travels through Tanzania for export to China. The logistics are unglamorous but reveal Congo's infrastructure limitations.

Zijin has big plans for the site. The project is intended to process 5 million tonnes of ore per year and generate approximately 1 million tonnes of spodumene concentrate. The company has stated that it aims to produce 30,000 metric tonnes of lithium carbonate equivalent from Manono in 2026. By December, downstream facilities, including a smelter, should be operational, greatly accelerating the ramp-up.

Ownership in the Cloud

One of the biggest undeveloped hard-rock lithium deposits in the world, Manono has been the focus of a long-running, acrimonious ownership dispute. Congo transferred a portion of the project to a new company, Manono Lithium, and revoked the permit held by Australian miner AVZ Minerals. Zijin owns 54.9% of that business, with the Congolese government owning the remaining 10% and state miner Cominiere owning 35.1%. The disagreement has not been completely settled. KoBold Metals, a US-backed company that owns a nearby licence at the same deposit, has stated that it will not move forward with development until all project-related legal issues have been resolved. At one of the world's most geologically significant lithium sites, the standoff creates an odd division: an American-backed competitor is still waiting for legal clarification, while a Chinese-controlled company is already shipping products.

Portion of a Larger Pattern

The shipments of lithium are not isolated events. They land on top of a mining industry where Chinese companies already control the two other minerals (copper and cobalt) that are crucial to Congo's economy. Approximately 72% of Congolese cobalt and copper production is

controlled by Chinese companies. Some other estimates place Chinese control over the DRC's total mining output at closer to 80%. This includes Tenke Fungurume, which was formerly owned by Americans and is currently run by China's CMOC and is the second-largest source of cobalt in the world. According to a report on the Manono shipments, the exports extend China's hegemony over the nation's vital minerals industry, where CMOC and Huayou Cobalt are already significant players, while also marking Congo's entry into the lithium trade. In light of this, it is easier to understand why Washington has spent the last 18 months attempting, with varying degrees of success thus far, to force an alternate route. The Washington Accords, a strategic mineral partnership linked to a larger US-mediated peace process between Congo and Rwanda intended to put an end to fighting in eastern Congo, were mediated by the US under President Trump. Since then, Congo has given Washington a screened list of mining and processing projects involving manganese, copper, cobalt, and lithium that are available for US investment.

Some of that work has resulted in real deals. Virtus Minerals, an American company supported by the US International Development Finance Corporation, purchased cobalt and copper mines for over 700 million dollars, making it the first US-owned operator to return to Congo in more than ten years. In a separate deal worth about \$9 billion, the US-backed Orion Critical Mineral Consortium and Glencore reached an initial agreement for the purchase of a 40% share in the Mutanda and Kamoto copper and cobalt businesses. Nonetheless, even supporters of the American push admit that ambition and reality are not aligned.

According to one analysis, converting mine acquisitions into actual production is a massive undertaking that requires hiring, capital expenditures, and regulatory approval. All of which the recently established operator has not yet demonstrated it can handle. Critics go so far as to claim that Congo essentially exchanged access to some of its most valuable geological resources for a shaky peace and that the same established players frequently retain pricing and operational control of the resulting ventures.

Current Significance of Lithium

Because of what the deposit represents, Congo's entry into the lithium export market is noteworthy beyond its current modest volumes. Manono is one of the world's largest unexplored hard-rock lithium resources. Lithium is the element at the core of the global battery supply chain that powers grid storage and electric vehicles. Being a lithium exporter, even a small one for the time being, diversifies the nation's position in the energy transition economy and gives it a new negotiating tool with both Beijing and Washington. The nation's mining identity has been built almost entirely around cobalt and copper. The timing supports a long-developed strategy for China. When Western capital was scarce, Chinese companies entered the Congo's cobalt industry early and aggressively. They have since applied the same strategy to lithium, financing infrastructure, expediting permitting relationships, and taking on political and legal risk that other investors have been less willing to take on. As a result, Chinese companies are leading the minerals industry in production, deposit after deposit, while Western-backed competitors are still embroiled in legal disputes, financing negotiations, or due diligence.

What to Watch Next?

Several unanswered questions will influence the course of this narrative. Whether Manono becomes a fully Chinese-controlled enterprise or eventually accommodates rival Western interests will depend on how the AVZ and KoBold disputes are resolved or not. The speed at which Congo transitions from trial shipments to consistent export volumes will depend on how quickly Zijin's downstream smelter and processing facilities come online by December. Furthermore, the Washington Accords' overall course, including whether agreements like the Virtus and Orion deals result in actual tonnes of copper and cobalt reaching Western markets, will demonstrate whether the US effort can significantly weaken China's position or if it continues to be a side project that lags far behind an already powerful incumbent.

Right now, the shipment of lithium departing Manono for Chinese ports is small but symbolically significant. It validates Congo's entry into the global lithium supply chain and reaffirms China's position as the first recipient.



PORK PROCESSOR SMITHFIELD FOODS LOWERS PROFIT MARGINS AS US CONSUMER SPENDING DROPS

Smithfield Foods said that its fresh pork is expected to record an operating loss in the third quarter due to ongoing pressure from lower hog prices and falling demand as customers are spending less. The company's shares fell 2% after it lowered its adjusted operating profit forecast for this quarter.

Smithfield has attributed reduced profitability to falling USDA pork cutout and hog prices. CEO Shane Smith said that the decision to lower operating profit estimates stems from external market conditions where the value of pork is taking a hit. Smithfield's Q3 adjusted operating loss is predicted to range between \$70 million and \$90 million in the fresh pork segment, which is the organisation's second-largest revenue generator. In 2025, the company posted a profit of \$10 million.

Its estimate for quarterly adjusted operating profit in the hog production business is around \$25 million to \$45 million, compared with \$89 million last year. However, Smithfield's 2026 adjusted operating income forecast for packaged meats remains unchanged, approximately at \$1.08 billion and \$1.15 billion. the packaged meats segment is the company's largest.

Smithfield expects total adjusted operating income for the quarter

ending in September to fall to between \$115 million and \$175 million, down sharply from \$310 million in the same period in 2025. The company continues to face cautious consumer spending and said near-term results have been hurt by commodity market dynamics.

Finally, the decision to revise profit margins is not a hasty one. In August, the company reduced its annual total sales and adjusted operating profit forecasts, having understood that cautious customer spending will continue well into the next few months and the forthcoming holiday seasons.



PORT OF LA RECORDS SECOND-HIGHEST VOLUME IN JULY AS US RETAIL GOODS DEMAND GROWS

The Port of Los Angeles, which is America's busiest port, posted its second-highest volume in July, as demand for consumer goods and data centre equipment increased. Rising demand for such goods will also push the port's volume in August. Market analysts closely monitor ocean container imports as they are an early indicator of economic activity.

The LA Port processed 960,464 20-foot equivalent units (TEUs) of container cargo in July, of which 499,552 TEUs were imports. Data also revealed that in the second week of August, the Port of Long Beach reported its second-busiest July, processing 928,508 TEUs overall, including 467,461 TEUs of imports. Port authorities expect to handle over 900,000 container units for the eighth month.

The peak shopping season has arrived early this year, with most holiday goods already available in the market. As the 10% Trump Tariff expired towards the end of July, retailers were able to front-load goods in August. However, keeping in line with the Trump administration's protectionist policies, these tariffs were

soon replaced by new ones of up to 12.5%. Imports from around 60 countries were hit with these tariffs over allegations of forced labour.

According to the Port's Executive Director, Gene Seroka, this high-volume port activity is unlikely to continue. Data from the National Retail Federation suggests high imports in August, which will taper off in the following months.

The global shipping container industry is worth approximately \$120 billion. Retailer goods have historically comprised nearly 50% of its volume. Consumer goods always drive the shipping industry's peak season just before the year-end holiday sales.

However, as more countries focus on data centre construction, the industry's dependence on retail products to drive high port activity is reducing. Shipping magnates have said that previously a container from Asia carried goods such as furniture, shoes, clothing and food. Now, Asian products are mainly batteries, parts for solar panels, windmills, etc. This is tied to Asia's goal of electrification and the race to build power capacity.



GAP ANNOUNCES 50 NEW OUTLETS IN CHINA AS PART OF ITS LOCALISATION DRIVE

Despite more and more fast fashion brands closing stores across China, US clothing retailer Gap is defying industry headwinds. Increased localisation has attracted an increasing number of Chinese customers; therefore, the apparel brand plans to open 50 new outlets in Mainland China this year and return to Hong Kong by December.

Gap's decision to expand is surprising given China's sluggish retail sales, which have prompted rival brands like Zara and H&M to close outlets. Gap has also undergone a contraction cycle, resulting in store closures, and this expansion is part of its rebuilding strategy in China.

In 2023, Chinese e-commerce operator Baozun was given charge of operations in mainland China, Hong Kong and Macau. Since then, the clothing mogul has pursued a 'China-for-China' policy focusing on localisation. The success of this strategy was evident in the fourth quarter of last year, when Gap recorded its first profit. It also reported a record-high 20% same-store sales growth in China in Q1.

In the earnings report published in May, Baozun confirmed that 10 outlets were expected to be operational in Q2 and that the newly planned 50-store project will stretch across Tier I to Tier III cities of China. Marketing experts have commended Gap's localisation efforts, explaining that foreign brands must be in tune with domestic preferences to tap into the market. Moreover, the organisation's structure must also become more horizontal, allowing local teams more autonomy to make necessary decisions and take risks.

Baozun also said that three years of restructuring has pushed Gap's Chinese business to a new growth phase. Local teams are leading product design, and digital and supply chains have also been upgraded, signalling more operational efficiency.

In conclusion, while opening 50 new outlets when consumer expenditure is generally low seems risky, Gap has years of market research and internal restructuring to prove that the company is ready to take this leap.



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