Growth of Saudi Banks Deposits by 7.7%

Bank deposits in Saudi Arabia recorded a 7.7% growth last February on an annual basis to reach 1.78 trillion riyals, compared to about 1.65 trillion for the same period last year, registering an increase of 126.9 billion riyals.

The growth of deposits during February is the highest in about five years, supported by the growth of deposits of individuals and companies of all kinds, which constitute 74.9% of total bank deposits.

On the other hand, the amount of credit provided to the private sector through banks operating in Saudi Arabia amounted to 1.53 trillion riyals at the end of February of this year, an increase of 9.7% on an annual basis, compared to about 1.396 trillion riyals for the same period last year, and with a net lending of 135.37 billion riyals.

According to SAMA data, the size of bank credit for the private sector in Saudi Arabia recorded the largest annual growth in nearly four years, specifically since April 2016, and the growth of lending is due to the significant drop in interest rates during the past 12 months until February, when the average inter-bank interest rate “cybor” fell about 27 percent.

Source (Al-Arabiya.net website, Edited)
Unprecedented Financial Measures in Morocco to Support the Economy

Morocco is heading towards unprecedented measures at the budget level in order to face the repercussions of the Corona virus on the economy and citizens. The draft decree to be approved requires that the ceiling of external borrowing be exceeded and that some expenditures be suspended, which indicates the financial difficulties facing the Kingdom. The decree project allows the Minister of Economy and Finance, Mohamed Benchaaboun, to exceed the ceiling of external borrowing that was set by the Parliament before the spread of Corona at $3.1 billion. The second procedure is to suspend all obligations and budgets of the running state facilities independently, and the special accounts of the treasury.

This measure excludes personnel expenses, health and security sector expenditures, expenses for the treatment of corona virus consequences, water, electricity, and communications expenditures, student support expenses, and social cohesion support expenses. It also excludes the necessary management and investment expenses, which are of an urgent nature. These measures were justified by the effects of Corona on the economy and public finances, after the activity of the auto, textile and tourism industries ceased, with an impact on fiscal and customs revenues.

UAE Raises the Incentive Packages to Tackle Corona to $70 billion

The UAE Central Bank has approved new measures to ensure liquidity in the banking system in the face of the outbreak of the new Corona virus (Covid 19), boosting the stimulus package to reach $70 billion from $27 billion. The Central Bank revealed that the total value of the procedures related to capital and liquidity adopted since March 14th reached 256 billion dirhams (69.70 billion dollars).

As part of efforts to mitigate the repercussions of the spread of the Corona virus (Covid 19) on the national economy, the Board of Directors of the Central Bank decided to reduce the mandatory reserve ratio of demand deposits by half for all banks, as it was reduced from 14 to 7 per cent, which will contribute to enhancing liquidity. On his part, Abdul Hamid Saed, the new governor of the Emirates Central Bank, confirmed that the bank will continue to take all precautionary procedures and measures to support the local economy and the banking sector in the face of the effects of the Corona virus (Covid 19).

The Central Bank expects that banks and finance companies will make effective use of the facilities of a comprehensive economic support plan directed at achieving benefits for their clients and the national economy.

According to the bank, an estimated 61 billion dirhams ($16.6 billion) of liquidity in the banking sector can be used to support lending to the sectors of the national economy, and to manage its liquidity.
Sheikh Khalifa bin Jassem bin Mohammed Al Thani, the Chairman of the Qatar Chamber, confirmed that the Chamber, as the representative of the private sector, has taken a number of measures in support of the efforts taken by the government to confront the economic crisis resulting from the outbreak of the Corona virus (Covid-19).

He explained that the performance shown by the private sector in this context, and the important initiatives launched by business owners, reflect the fact that the private sector is a true partner of the government in its development process, and it translates the support and attention given by the rational leadership and esteemed government to this sector.

Sheikh Khalifa bin Jassem called on merchants and owners of companies to participate in providing support in its various types through cooperation in reducing or fixing prices and providing services and facilities, within the framework of social solidarity, and in response to the requirements of corporate social responsibility.

The Chairman of Qatar Chamber indicated that the business owners have a great responsibility at the present time, saying: This is the time to return the favor and show loyalty to the country at this difficult time.

He also considered that the facilities and support provided by the state with a value of 75 billion riyals would contribute to mitigate the damages and help companies to continue their business and achieve growth.

Sheikh Khalifa bin Jassem bin Mohammed Al Thani appreciated the rational leadership and the government’s keenness to support the private sector and the development of economic plans that help it out of this crisis, and take the necessary precautions to protect the citizens and residents from the spread of the Corona virus.

Source (Al-Raya Newspaper-Qatar, Edited)