Saudi Arabia’s Gets an A-/A-2 Credit Rating with a Stable Outlook

S&P Global granted a sovereign debt rating for Saudi Arabia (A-/A-2) with a stable outlook, indicating that its estimates of the strong position of the Kingdom’s net assets remain a major support factor for the ratings. However, on the other hand, the agency expected that the continued decline in oil prices would be a challenge and could have negative repercussions in the long run. According to the agency, the expansionary government budget in Saudi Arabia will be sufficient to boost the GDP growth to exceed 2% during the years 2020 and 2021, although credit growth will remain at moderate levels.

It also expected that banks in Saudi Arabia will maintain stable levels of financial risk indicators during the year 2020, although growth remains largely dependent on oil market movements and is also linked to global economic conditions and regional geopolitical trends. Mortgage financing, according to the agency, will be one of the main drivers of loan growth in the Kingdom, while credit losses will settle at around 70 basis points, while growth prospects will remain linked to commodity prices.

Source (Al-Arabiya.net Website, Edited)
The Egyptian Council of Ministers approved the 2020-2021 Budget & Reduces Growth

The Egyptian Council of Ministers approved the draft budget law for the fiscal year 2020-2021. The Minister of Finance, Dr. Mohamed Maait, indicated that the draft budget for the new fiscal year aims to preserve the greatest degree of financial stability while supporting the economic activity by achieving a reduction of the total deficit to 6.3 percent. From the result, achieving an initial surplus that allows the path of budgetary debt reduction to continue, in addition to backup, supporting and stimulating economic activity, growth and employment, especially in the productive sectors, in conjunction with continuing efforts to improve the quality of the infrastructure while ensuring that everyone benefits from this improvement.

In turn, the Egyptian Minister of Planning, Hala Al-Saeed, indicated that Egypt had reduced the targeted growth of GDP in the 2019-2020 fiscal year to 5.6 percent, due to the high demand for some products such as medical supplies and disinfectants.

The G20 leaders instructed trade ministers to assess the effects of the Corona epidemic on trade, reaffirming the commitment to providing immediate measures to protect workers and small and medium enterprises.

They also expressed their commitment to provide immediate resources to the Corona pandemic response fund.

Source (Al-Arabiya.net Website, Edited)