The value of incentive packages approved by the Saudi government to the Saudi economy exceeded 226 billion riyals ($60.3 billion), to face the repercussions of the emerging Corona virus. Government stimulus packages for individuals, firms and investors are equivalent to about 8.6% of the Kingdom's GDP of 2.64 trillion riyals (about $704 billion).

The stimulus packages exceed this percentage in light of the announcement of several initiatives without estimating their financial value, for example, the support of individuals working directly who are not under the umbrella of any company and registered with the General Authority of Transport in passenger transport activities and were stopped due to the preventive measures of the Corona virus, through paying an amount of the minimum salary for them.

Saudi Arabia is Globally the 3rd With the Value of Incentive Packages to Confront Corona

The stimulus to Saudi GDP is considered among the highest rates compared to the largest economies in the world, with only three countries preceding it, Germany, Japan and the United States at 20.9%, 18.8% and 10.3%, respectively.

Saudi Arabia exceeds the rates for China, India, the United Kingdom, France, Italy, Brazil, Canada, South Korea, Spain, Australia, the Eurozone, and Indonesia.

Spain came after Saudi Arabia in the ratio of stimulus packages to GDP at 7.8%, Australia (5.8%) and South Korea (4.9%).

Canada scored 4.5% of the output, France (4%), the United Kingdom (3%), Brazil (1.5%), China (1.3%), India (0.8%), Indonesia (0.7%), and Italy (0.4%). The Saudi stimulus also exceeds that of the euro area, which has a rate of 3.2%.

Source (Al-Arabiya.net website, Edited)
The Sultanate of Oman Amends 2020’s Budget to Achieve Economic Stability

The Ministry of Finance in the Sultanate of Oman revealed a reduction of 500 million Omani riyals (1.3 billion dollars) in the state’s general budget for the current year. This is due to the reduction in 5% of the military and security credits and 10% in the development credits and other government measures that have been taken.

The government is currently working to review the measures taken and put new financial and economic measures in line with achieving the economic stability of the Sultanate and the targeted growth in the state’s general budget.

In March, Moody’s downgraded the Sultanate’s credit rating to a higher level at higher risk levels. It attributed this to the decline in the country’s financial strength, as evidenced by the increase in government debt and weak measures of debt sustainability. The agency downgraded the rating to Ba2 from Ba1 and revised the outlook to stable.

As a result of the Corona epidemic, the Sultanate of Oman also closed all shops and outlets inside and outside the commercial centers.

According to the Omani Supreme Committee to discuss the measures that have been taken.

Source (Al-Arabiya.net website, Edited)
The World Bank Calls on Kuwait to Accelerate its Financial & Structural Reform

A report by the World Bank showed that the main risks facing the Kuwaiti economy are concentrated in the turmoil in the global economy and the persistence of fluctuations in oil prices around a very low base, indicating that the path of uncertainty surrounding the Corona epidemic raised the level of these risks with expectations of further slowing global growth. According to the report, further postponement of financial reforms may lead to unfavorable financial dynamics, in addition to widening financial and external imbalances and the erosion of financial reserves, indicating that long-term challenges facing Kuwait relate to heavy dependence on oil as well as the implementation of the new Kuwait vision 2035. The report revealed that despite Kuwait’s large oil reserves, a global shift to cleaner energy threatens economic and financial sustainability in the long run.

While the report showed that huge financial assets support Kuwait’s economic resilience, it revealed that financial and structural reform are essential to offset the risks of low oil prices and uncertain production, and these measures include measures to mobilize non-oil revenues such as the application of value-added tax, as well as strengthening the human capital and economic management reform to revitalize private sector-led development and job creation.

According to the report, revenue collection measures such as the introduction of value-added tax in 2021 will likely reduce budgetary pressures, but this depends on the government’s desire to implement these reforms in a weak economy. On the other hand, the report expected that the deficit will witness a bit of decline with oil prices recovering moderately, to reach 17.4 percent of GDP in 2022, while the oil prices continue to decline, suggesting that the current account will turn towards deficit during the current year, with it improved slightly over the medium term, while inflation is expected to increase gradually as property rents recover.

Source (Al-Rai Newspaper-Kuwait, Edited)

Algerian GDP Grows by 0.8 percent

The Algerian government revealed in a statement issued about the growth of the gross domestic product of the country which is considered a member of the Petroleum Exporting Countries "OPEC", by 0.8 percent during the year 2019, representing a decrease of 1.4 percent from the previous year (2018).

The government attributed this decline to the weak performance of the energy sector, indicating that growth in this manner is less than the government expectation at 2.6 percent for the year 2019, which witnessed major protests that had a great impact on the economy dependent on crude oil.

In the same context, Algeria’s National Bureau of Statistics revealed a 4.9 percent drop in growth in the oil and gas sector after a 6.4 percent drop in 2018.

It is worth noting that Algeria’s energy revenues fell 25 percent year on year in January, affected by both production and price declines.

Last March, Algeria made a package of economic decisions aimed at reducing the negative effects of the collapse of oil prices on the local economy, and facing the repercussions of the outbreak of the new Corona virus.

Source (Algeria News Agency, Edited)