Tarek Amer, the Governor of Egypt Central Bank revealed that he intends to provide 100 billion Egyptian pounds ($63.36 billion) in loan guarantees to banks to encourage corporate lending during the "Corona" virus crisis.

He pointed out that the decision comes at a time when business risks are growing, especially with regard to companies and finance, noting that loans are at an interest rate of 8%, which reduces the central lending rate of the central bank to 10.25%.

The Corona virus affected the Egyptian economy, especially with the almost complete halt of tourism, as the sector constitutes 5% of the gross domestic product, as well as the closure of restaurants and cafes since last March.

Amer explained that the Central Bank’s decision to issue guarantees to banks comes in light of the high risks of business in the markets in light of the current circumstances, especially with regard to companies and finance, and also aims to help initiatives to pump loans in the markets to companies to achieve their economic goals. He also considered that the decision will contribute to motivating banks to pump loans to economic private sector companies in order to preserve their entities and their financial solvency and employment.

Amer pointed out that the issuance of these guarantees will be through the credit risk guarantee company in which he contributes and is headed by the central bank, to cover the banks in these risks. He revealed that the central bank will issue guarantees for the credit risk guarantee company that would enable it to guarantee banks operating in Egypt to cover the loans of the Industry, Agriculture and Contracting sector in a full amount of 100 billion pounds, that the company issue guarantees to banks amounting to 80% of the amount of any loan employed by banks, while the banks would be able to bear only 20% of these risks.

Source (Al-Sharq Al-Awsat Newspaper, Edited)
The Tunisian government approved the outlines of the state budget project for the year 2021, which will be characterized by more control over expenditures and failure to approve new assignments in the public sector, with the exception of some urgent and high-priority competences such as security, the army, and health.

The government called on all ministries and government institutions not to sign any agreement or take any action that has a financial reflection before returning to the interests of the Presidency of the Government and the Ministry of Finance. The activation of the professional promotions program for the current year has been postponed to 2022 instead of 2021, and not to compensate for vacancies in the public sector, and to seek to cover the confirmed needs by re-employing the available human resources and transferring them from one ministry to another.

It is noteworthy that Tunisia’s budget for the year 2020 was estimated at about 47 billion Tunisian dinars (about 16 billion dollars), about 20 billion dinars of which are allocated to the mass of wages, which are wages directed to state employees and were the subject of sharp criticism by the International Monetary Fund, which called on the Tunisian government to reduce the size of wages to the level of 12% of GDP instead of more than 15% current level.

Source (Al-Sharq Al-Awsat newspaper, Edited)
6 Months: Algeria's Budget Records a $6 Billion Deficit in 5 Months

Algerian Finance Minister Abderrahmane Raouya revealed that the budget deficit reached 1976 billion dinars (approximately 16 billion dollars) until the current month (May), which is an unprecedented number in the country's history, at a time when the government expected the deficit of the regular budget to reach 20 billion dollars at the end of the current year.

Minister Raouya emphasized before parliamentarians that, “Algeria will not resort to external borrowing or unconventional financing (printing money), but will rely on traditional internal financing, especially Bank of Algeria dividends as well as collection of levy.”

Raouya said during his presentation of the supplementary budget for 2020 that “the government was forced to review its figures regarding oil revenues, as it expects oil sector revenues to decrease to 20.6 billion dollars, compared to 37.4 billion dollars that were expected in the first general budget for 2020.”

With regard to raising fuel prices, Raouya justified this proposal with the pressure the budget suffers from the state’s support for this material, stressing that the increase should be accompanied by inspection campaigns targeting merchants and dealers with the aim of not exaggerating and rushing to raise the prices of their products and services.

He pointed out that a committee is currently working on studying all proposals with a view to finding direct support to those who deserve it, including a fuel supply card granted once per year to every citizen, and this card covers a minimum consumption that is covered by the support, so that its holder will have to pay the real price of fuel after consuming the quantity specified in the card.

Source (New Arab newspaper, Edited)
The World Will Be Facing a New Crisis Caused by High Global Food Prices

An analysis published by "Project Syndicate" revealed that the world is about to confront a new crisis whose features seemed looming in the near horizon, with the trend of food prices to rise, in light of the repercussions and risks left by the spread of the emerging Corona virus and the closure of borders and economies.

The analysis expected that the situation in the emerging markets will worsen, calling on the governments to work together to address the disruptions in the food supply chains and prevent food protectionism from becoming the new normal after the epidemic, according to the analysis.

The analysis showed that even before the epidemic occurred, there were signs that global food prices could rise soon as weather phenomena caused by climate change became more common.

He also pointed out to the African swine fever invasion of more than a quarter of the number of pigs in the world last year, causing food prices in China to increase by 15 to 22% year on year so far in 2020. The latest reading shows that it is among the 50 most vulnerable countries for the ever-increasing food prices, almost all of them are developing economies, accounting for nearly three-fifths of the world's population. But in reality, higher food prices will be a global problem, because they are sharp everywhere.

Source (Al-Arabiya.net website, Edited)