The PM Warns of the Seriousness of the Economic Situation in Tunisia

Tunisian Prime Minister Elyes Fakhfakh warned of the seriousness of the economic situation in Tunisia, stressing in a parliamentary session devoted to assessing the outcome of a hundred days of government activity, that the next battle is the battle of "saving the state" from the repercussions of the pandemic’s effects and the almost total economic paralysis it left.

Fakhfakh provided mostly negative data on the economic circumstance, and presented to parliamentarians "shocking numbers" as it revealed that the registered economic growth rate was in the range of negative 6% (contraction), which is slightly less than what international financing structures expected such as the International Monetary Fund and the World Bank, which reported a contraction of 6.8 percent. He also expected the number of the unemployed to increase, as some 131,000 Tunisians would join the list of unemployed, and this number would be added to about 630,000 others awaiting employment opportunities.

Fakhfakh explained that a number of economic activities have incurred major losses, as strategic sectors, such as the components of the aircraft industry, which have suffered severe damage that will continue in the years 2020, 2021 and 2022, in addition to the sectors of ready-made clothes, tourism, crafts and traditional industries, hotels and restaurants.

To counter the effects of Corona, Fakhfakh revealed that Tunisia had pumped social financial grants to one million and 100,000 poor families, and 300,000 parcels of aid. The state also provided salaries to 460,000 workers, merchants, and craftsmen, to maintain employment opportunities for 3 months between April and June.

Fakhfakh stressed that "the next battle will be a battle to save the economy and the state," pointing to the danger of a high rate of state debt, which amounted to about 92 billion Tunisian dinars (about 32 billion dollars), noting that the size of the country’s external debt amounted to more than 60 percent.

Source (Al-Sharq Al-Awsat newspaper, Edited)
Gulf Countries Losses Will Exceed $23 Billion

PwC estimated that the Gulf countries would lose $10 billion in revenue if the Corona crisis continues one more financial quarter, and $23 billion if it continues for two years.

On the other hand, a report issued by the "Oxford Business Group" revealed that with the Gulf states beginning to shift towards a gradual easing of movement restrictions that were affected by the Coronavirus, a noticeable focus on the revival of the aviation sector is emerging, as effective recovery and return strategies will depend on reassuring passengers with sufficient health and safety measures.

With the aircraft returning to flying again, the safety and examination of passenger temperature and physical distance will be extremely important for the aviation sector, and the price and comfort factors are expected to play an essential role in increasing the demand for direct flights, according to the report.

It also noted that occupancy levels will be reduced to 50 percent in order to maintain physical distance, as well as to maintain distances for passengers who line up to complete their procedures at airports.

The report also revealed that with the increase in flights in the Gulf region during the coming months, airlines and airports will need to adopt appropriate safety standards, and employ marketing strategies to highlight their health and safety priorities, with expectations that this will lead to airlines competing for a limited number of international passengers for some time, making sure they are ready to welcome a wider group of travelers as the atmosphere continues to reopen.

Source (Al-Rai Newspaper-Kuwait, Edited)
Lebanese Prime Minister Hassan Diab blamed "Bank of Lebanon" for the fluctuation in the exchange rates of the lira against the dollar, after the dollar exchange rate against the Lebanese pound touched the threshold of seven thousand pounds.

Diab stressed during a cabinet session, that "the country is going through a major crisis and the results are not positive," considering that "the Bank of Lebanon (the central bank) is responsible for the exchange rate of the dollar," stressing that "if the Bank of Lebanon is unable to settle the exchange rate situation then, it has to be frank about it."

Lebanon faces the worst economic crisis since the end of the civil war (1975-1990), which exploded on October 17, 2019, with popular protests raising economic demands, after an unprecedented deterioration of the lira against the dollar.

To that, the Minister of Finance Ghazi Wazani presented, during the cabinet session, an intervention on controlling the exchange rate of the dollar against the lira, as it was emphasized the importance of following up the issue in light of publishing inaccurate figures on the exchange rate. The Minister of Information announced during her reading of the decisions after the end of the cabinet session, the launch of an electronic platform with the currency exchangers, with the aim of controlling manipulation of the exchange rate of the Lebanese pound against the dollar.

On April 30, Diab’s government approved a 5-year economic rescue plan and embarked on negotiations with the International Monetary Fund to finance it, in an attempt to tackle a crisis that forced Lebanon to suspend its debt repayment.

During a dialogue session called by Lebanese President Michel Aoun and held yesterday at the Republican Palace, Aoun stressed that there are people who take advantage of people’s anger and legitimate demands to generate violence and chaos, in order to achieve "suspicious foreign agendas", inter-sectioning with the political gains of parties inside.

Source (Anatolia Agency, Edited)
The Central Bank of Egypt kept interest rates unchanged in the range of 9.25 and 10.25 percent. Where the Central Bank of Egypt’s Monetary Policy Committee decided to keep the interest rates on deposit and lending for one night, and the price of the main operation at 9.25 percent, 10.25 percent, and 9.75 percent, respectively. It also kept the price of credit and discount at 9.75 percent.

According to the central bank, the annual rate of urban headline inflation fell to 4.7 percent in May, from 5.9 percent in April, supported by containing inflationary pressures and the positive impact of the base period.