The Tunisian Economy Contracts 21.6 percent due to "Corona"

The National Institute of Statistics in Tunisia revealed that the Tunisian economy contracted by 21.6 percent in the second quarter of this year on an annual basis due to the Corona virus crisis, and this is the largest decline in it in 23 years. While the unemployment rate rose to 18 percent in the second quarter.

The reasons for the contraction are due to the decline in production in most areas, such as hotels, restaurants, cafes and transportation services, as well as the services sector. Tunisia's economy depends to a large extent on the tourism sector, and the Tunisian government recently issued a decree mandating the wearing of protective masks in clinics, hospitals, major commercial spaces, the train station in the capital and the port of La Goulette, to reduce the spread of the virus. Despite the return of injuries, the government has ruled out implementing the closure measures again.

In this context, Adnan Sud, Director General of the Tunisian Institute of Statistics, affirmed that "this contraction comes as a result of the approval of the quarantine to address the spread of the Covid-19 pandemic, which included most economic sectors except for the agricultural sector." He pointed out that "the service sector is one of the sectors most affected by the Corona pandemic and the measures taken to contain it, to shrink during the second quarter of 2020 by 30.4 percent."

Source (Al-Sharq Al-Awsat Newspaper, Edited)
Inflation in Saudi Arabia jumps to 6.1 percent

A report issued by the General Authority for Statistics showed that the consumer price index in Saudi Arabia increased to 6.1 percent in July compared to the same period of the previous year, as a result of a three-fold increase in value-added tax.

The inflation rate in June was 0.5 percent, the lowest annual increase since January, before the value-added tax increased to 15 percent from 5 percent beginning from 1st of July.

The reasons for the annual jump in annual inflation are due to the increase in prices for most groups, as food recorded the largest contribution, at 14.6%, and then transportation, at 7.3%.

According to a research note by "Capital Economics", the impact of raising the value-added tax may be relatively limited compared to the introduction of the tax for the first time in 2018. However, the rate of inflation in Saudi Arabia is expected to jump between 5.5 and 6 percent on an annual basis this month. And to stay near that level for most of next year. Saudi Arabia is the largest oil exporter in the world, and in May it announced a three-fold increase in value-added tax, in an effort to boost public finances affected by the double shock of the Coronavirus pandemic and lower oil prices.

Source (CNBC site, Edited)

UAE Bank Assets rise 5 percent

The combined value of the total assets of the UAE banks increased by 5% in the first half of this year, to reach 2.9 trillion dirhams, compared to 2.76 trillion dirhams at the end of last year.

The total assets of Abu Dhabi banks, which number 3, grew by about 3.7% in the first six months of this year to reach 1.4 trillion dirhams, compared to 1.35 trillion dirhams at the end of December 2019. While the assets of Dubai banks grew by about 5% during the first six months of this year to reach 1.26 trillion dirhams at the end of last June, compared to 1.16 trillion dirhams at the end of December 2019.

As for the rest of the banks, namely Sharjah Islamic, Ras Al Khaimah National Bank, National Bank of Fujairah, Umm Al Quwain National, Commercial International, Ajman Bank, Investment Bank and United Arab, they witnessed a decline in the combined value of their total assets by 6.4%, down from 252 billion dirhams at the end of the year Last, to about 236 billion dirhams at the end of the first half of this year.

On the other hand, the combined total value of the assets of Dubai and Abu Dhabi banks registered a growth rate of 6% in the first half of this year, rising to 2.66 trillion dirhams at the end of last June, compared to 2.51 trillion dirhams at the end of 2019.

Source (Al Khaleej UAE newspaper, Edited)
Figures issued by the Central Bank of Jordan showed that foreign exchange reserves increased in the first seven months of this year by 16.1 percent, compared to their level at the end of 2019.

The value of the Kingdom’s foreign exchange reserves at the end of July was about $14.13 billion, compared to about $12.17 billion at the end of 2019.

In its monthly bulletin on its website, the Central Bank attributed the rise in reserves to Jordan’s issuance of international bonds last July, worth $1.75 billion.

Jordan relies heavily on foreign aid to reduce the budget deficit and implement priority projects, especially in the sectors of health, education, water and various infrastructure.

In this context, the Jordanian Minister of Planning and International Cooperation, Wissam al-Rabadi, expected that the volume of foreign aid from grants and soft loans for the current year will reach about $3.5 billion, and part of it will be allocated to confront the burdens of the Corona crisis.

Source (Al-Araby Al-Jadeed Newspaper, Edited)
The total internal public debt in Syria reached 645 billion pounds (about 510 million dollars) since the beginning of this year.

According to the Syrian newspaper, Al-Watan, the value of that debt is equivalent to about 11.6% of the total budget appropriations for the current year, amounting to 4 trillion pounds, and equivalent to about 32% of the total budget deficit estimated at 1.4 trillion pounds.

And the Syrian Central Bank had announced 4 auctions, in which a number of banks authorized to participate in the auctions were subscribed, in addition to clients in those banks, two of those auctions were for two years (the second auction was announced a few days ago, while the first auction was announced last February), with a total subscription amount equivalent to 298.5 billion pounds.

As for the other two auctions, they were to subscribe to certificates of deposit for a period of 6 months, at a value of 166.5 billion pounds, (the first was announced last March, with a total subscription of 92.2 billion pounds, and the second last June, with a total subscription of 74.3 billion pounds). Countries resort to debt to cover a financial deficit or to cover financing investment projects, and internal debt is a tool for investing money within the state through the central bank offering of securities or treasury bonds for public subscription, and the state owes the owners of those bonds and commits to paying after the expiration of those bonds.

Source (Russia Arabic website, Edited)