The Qatari Economy Contracted by 6.1 percent

Data issued by the Qatar Planning and Statistics Authority showed that the Qatari economy contracted by 6.1 percent during the second quarter of this year on an annual basis, as a result of companies closing and activities curtailed due to the outbreak of the Coronavirus, at the lowest level since 2012. While the rate of contraction was 1% during the same period in 2019.

According to the data, real GDP shrank by 6.4 percent during the second quarter compared with the first quarter based on constant prices. Transportation and storage activities fell by about 40 percent on an annual basis, accommodation and food services fell 38.7 percent, wholesale and retail trade and vehicle repair by more than 30 percent, while the manufacturing sector declined by 11.3 percent.

The central bank had expected last August that the economy would contract this year with lower energy prices and the Coronavirus crisis, after a 3 percent decline last year. While the International Monetary Fund revised its forecasts for Qatar’s real GDP to decline in 2020 and forecast a 4.5 percent contraction, compared to its April forecast of a 4.3 percent drop.

Source (Al-Arabiya.net, Edited)
IMF: Our Help to Lebanon is Conditioned with the Existing of a Government Partner

International Monetary Fund Director Kristalina Georgieva indicated that "the fund is ready to work with Lebanon to solve its financial problems and restructure its debts, but the fund needs a partner within the Lebanese government." In an interview with CNN during the annual meetings of the International Monetary Fund and the World Bank, she stressed that "the divisions afflicting Lebanon shackle the country and prevent any progress on the level of a new economic plan." She said, "One hand does not clapping. Yes, we are ready to help Lebanon, but we need a partner, but unfortunately the divisions in Lebanon are pushing it down." Libanon suffers from a stifling economic crisis, which has caused the value of the Lebanese pound to decline against the dollar and the black market to flourish, as despite the attempts of the Lebanese authorities to regulate the financial situation, the black market continues to affect the value of transactions even in official exchange shops, as the exchange rate ranges since the period of time. The dollar on the black market between 8000 and 9000 pounds per dollar amid fears that it will cross the threshold of ten thousand in the coming days as a result of the faltering formation of a new government, and because of the Bank of Lebanon's tendency to remove subsidies on some basic commodities, fuels and medicines that were imported by the state according to the official exchange rate (1515 Lira).

Source (Al-Arabiya.net, Edited)

Egypt Achieves an Initial Surplus in the 2020-2021 Budget

Egyptian Finance Minister Mohamed Maait revealed that Egypt had achieved an initial budget surplus of 100 million pounds ($6.39 million) in the first quarter of the fiscal year 2020-2021, pointing out that "Egypt has prolonged the age of debt to about 3.2 percent during the month of June (June 2013, from 1.3 percent in June 2013, while it is expected to reach 3.8 years by June 2021.)"

Egypt reduced the expected primary surplus to 1.4 percent of GDP from 2 percent in the fiscal year that ended in June, expecting a further decline to 0.5 percent in 2020-2021 in a letter of intent sent to the International Monetary Fund in last June, noting that COVID-19 pandemic is likely to reduce revenues and increase spending requirements.

Egypt's total budget deficit declined to 7.8 percent of GDP in the fiscal year 2019-2020 from 8.2 percent in the fiscal year 2018-2019. Egypt achieved a primary surplus of 1.8 percent of GDP in the fiscal year ending on June 30, while it was expecting a deficit of 7.2 percent in the fiscal year ending on June 30, before the Coronavirus pandemic hit Egypt's economy hard.

Source (Al-Sharq Al-Awsat Newspaper, Edited)
The Iraqi Central Bank Expects a Decline in Foreign Reserves

The Governor of the Central Bank of Iraq, Mustafa Ghaleb, pointed out that "the decline in crude oil prices and the reduction in production in Iraq, based on the OPEC agreement, led to a decrease in crude oil revenues, and thus the dollar amounts that were sold by the Ministry of Finance to the Central Bank of Iraq in exchange for obtaining the Iraqi dinar that it uses to finance its local expenditures, which led to a decline in the accumulated quantities of foreign currency at the Central Bank of Iraq, as well as the process of discounting the securities issued by the Ministry of Finance for the purpose of bridging the deficit witnessed by the government in financing its spending, especially current spending by the central bank in favor of government banks."

Ghaleb explained that "the decline in the global price of oil and the reduction in production in Iraq, based on the OPEC agreement, led to a decrease in crude oil revenues, and thus the dollar amounts that were sold by the Ministry of Finance to the Central Bank of Iraq in exchange for obtaining the Iraqi dinar that it uses to finance its local expenditures, which led to a decline in the accumulated quantities of foreign currency at the Central Bank of Iraq, as well as the process of discounting the securities issued by the Ministry of Finance for the purpose of bridging the deficit witnessed by the government in financing its spending, especially current spending by the central bank in favor of government banks."

Ghaleb pointed out that "the majority of current spending will turn into a consumer demand that ultimately represents a demand for the US dollar, and with the Central Bank meeting this demand to finance imports, foreign reserves are expected to witness a decline in addition to the decline resulting from the decline in oil revenues if the current data do not change." Source (Al-Sharq Al-Awsat Newspaper, Edited)

UAE: Government Spending has Reached 36 percent

The International Monetary Fund expected that the level of government spending for the United Arab Emirates will rise this year by a difference of 5.3 percent of GDP from its level last year, to 35.9 percent of GDP, while government spending last year reached about 30.6 percent of GDP.

The IMF estimated that government spending will reach 33 percent of GDP next year, and that it will continue to decline relatively to 29.3 percent of GDP by 2025. The fund estimated that government revenues this year will reach 26 percent of GDP this year, compared to 29.8 percent last year, with expectations that government revenues will grow in the coming years, reaching 28 percent of GDP in 2021, and amounting to 27.1 percent of GDP by 2025.

According to the Fund's estimates, the rise in the government debt of the UAE is expected to remain limited despite the consequences of the "Corona" pandemic, which imposes more spending and the need for liquidity to finance the deficit. The report expects government debt this year to reach 36.9 percent of GDP, compared to 27.3 percent in 2019.

Source (Al Khaleej Newspaper-UAE, Edited)
The economic downturn led to a decline in per capita GDP by about two-thirds in dollar terms. Poverty dominated 80 percent of the population, unemployment rates rose to critical levels, and investments fled abroad in search of safe havens.

According to the report, the per capita gross national product decreased from 1139 dollars in 2014 to 364 dollars (at the parallel exchange rate) in 2019, with a cumulative change rate of minus 69.5 percent, which means that more people slid below the poverty line and the severity of the humanitarian crisis.

**Source (Al-Araby Al-Jadeed Newspaper, Edited)**

### Yemeni War Losses Amounts to $88.8 Billion

A report issued by the Economic Studies and Forecasts Sector (governmental) revealed a cumulative contraction in the real GDP in Yemen in 2020 by 50 percent compared to 2014, while the cumulative economic losses amounted to about $88.8 billion due to the decline in economic growth during the period 2014-2020.

The report attributed the losses to the direct and indirect effects on the Yemeni economy, in particular the destruction of the infrastructure, production and service facilities, and the disruption of many economic and investment activities. As all these effects were reflected in the form of severe cash liquidity crises, oil derivatives, electricity, food, water, transportation, education, health care, and others.

The Central Bank of Jordan revealed that the remittances of Jordanian expatriates decreased by 10 percent during the first eight months of this year, reaching nearly 23 percent during the first quarter of this year.

As a result of the repercussions of the epidemic, tourism income in Jordan plummeted by 70 percent in the first eight months of this year, reaching 839 million dollars ($1.18 billion), compared to the same period last year.

Regular international flights have resumed in the Kingdom since last September after a closure that lasted about six months, after the government had repeatedly postponed the reopening of Queen Alia International Airport due to concerns that travelers would cause a rise in cases of Coronavirus.

**Source (Al-Arab Newspaper-London, Edited)**