Fitch Ratings expects a rise in the debt of government-related entities in the six Gulf Arab countries next year. Revealing that this debt ranges between 14 percent of the gross domestic product in Kuwait and rises to 45 percent in the UAE, indicating that the sovereign ratings of Qatar and Oman are the most likely to be affected by the indebtedness of government-linked entities.

The Coronavirus pandemic has hurt the Gulf economies while they are already under pressure from low oil prices, which are a major source of revenue.

According to "Fitch", the economic downturn in 2020 will exacerbate debt levels and increase the risk of the debts of government-linked entities crystallizing in the budgets, disclosing that government support for these entities is expected, and attributed this to their importance to economies and their national hero status.

The agency estimates the total debt of government entities other than the banking system in the region at 30 percent of GDP during 2019, which is an increase of 3 percent compared to 2018, excluding the impact of reclassifying financial liabilities for airline leasing.

According to the agency, total bank debts associated with Gulf governments increased by 17 percent of GDP during 2019, and ranged between 14 and 46 percent in Bahrain and Qatar, respectively, pointing out that the upper limit of potential liabilities from banks appears to be greater than percentages, with the sector's assets range from 89 to 244 percent of GDP, in Saudi Arabia and Qatar, respectively.

Source (Al-Arabiya.net website, Edited)
October. The calculation of core inflation does not include the prices of highly volatile commodities such as food.

The inflation figures for November were higher than expected due to the rise in the prices of the food and beverage group, and the December figures are expected to rise to 6.1 per cent on an annual basis and 0.2 per cent on a monthly basis.

The agency’s data showed an increase in the prices of beef and buffalo by 12.9 per cent and the fruit group by 3.3 per cent.

In this context, Capital Economics revealed, in a note issued by it, that the jump in inflation in November still places it below the lower bound of the target level by the Central Bank of Egypt, leaving the door open to reducing interest rates again over the next twelve months to support the economy.

Source (Asharq Al-Awsat Newspaper, Edited)

Qatar approves the 2012 Budget with a Fiscal Deficit of $9.5 billion

The Emir of Qatar, Sheikh Tamim bin Hamad Al Thani, verified the general budget for the fiscal year 2012, which will be adopted as of next January.

The total estimated budget revenues are 160.1 billion riyals (43.9 billion dollars), compared to 194.7 billion riyals (53.4 billion dollars) for the total planned expenditures during 2012, and the expected deficit is estimated at 34.6 billion riyals (9.5 billion dollars), according to the Qatari Ministry of Finance.

The Qatari Minister of Finance, Ali Sharif Al-Emadi, explained that the general budget for 2021 was based on an estimation of the price of oil at the level of $40 per barrel, which reflects the state’s continued adoption of a conservative policy in estimating revenues to maintain the financial balance and reduce the effects of oil price fluctuations on the performance of the general budget of the state.

Al-Emadi pointed out that the expected deficit is estimated at 34.6 billion riyals, stressing that the Ministry of Finance will work to cover it through available cash balances or through the issuance of domestic and foreign debt instruments if the need arises.

The new budget allocated 72.1 billion riyals to the main projects out of the total expenditures, and these allocations include adding new projects, while work continues to complete the state’s development projects in various sectors and those related to hosting the 2022 World Cup, in addition to allocations for the development of citizens’ lands, and the expenses associated with the implementation of infrastructure projects.

Source (Al-Araby Al-Jadeed Newspaper, Edited)
وافق البرلمان التونسي، على موازنة بقيمة 19 مليار دولار في العام القادم، بتضاعف عجز مالي بنسبة 6.6%. وتتوقع تونس نمو التضخم بنسبة 4% في العام المقبل، مقارنة مع انكماش قياسي بنسبة 7% بسبب التوقعات في العام الجاري.

والمالية العامة لتونس في وضع صعب، إذ تتوقع الحكومة حالياً عجزاً للميزانية من الناتج المحلي الإجمالي بنسبة 4% في الـ2020، وهو الأعلى في نحو 20% من الناتج المحلي الإجمالي في 2020، وهو الأعلى في نحو 20%. وتستهدف تونس تحسين الدينار إلى 2.8 دينار دولار، وتشمل تنفيذ الفائض المالي في 2020 من الناتج المحلي الإجمالي مقابل نفقات الدعم منها 3.4 مليارات دينار، وتشمل تنفيذ الفائض المالي في 2021 من الناتج المحلي الإجمالي، دون أن تحدد حجم أي إصدار.

تخطط تونس العام المقبل إلى خروج من النمو السالب وتحقيق نمو الناتج المحلي الإجمالي إلى 4% وزيادة الدخل الفردي من 9،575 دينار سنة 2020 إلى 10،270 دينار سنة 2021، وتشمل تنفيذ الفائض المالي في 2020 من الناتج المحلي الإجمالي، مثل تنفيذ الفائض المالي في 2021 من الناتج المحلي الإجمالي، دون أن تحدد حجم أي إصدار.

المصدر (صحيفة العربي الجديد، بتصرف)