The International Monetary Fund expected that the global economy will record a strong recovery this year, despite the heavy damage caused by the emerging coronavirus crisis, as the cumulative losses in production between 2020 and 2025, which are expected to reach 22 trillion dollars, compared to the expectations before Pandemic, still large.

The International Monetary Fund revealed that optimism that the new vaccines will put an end to the epidemic and allow the resumption of economic activity, in addition to stimulus programs in large economies, has boosted growth expectations this year, reaching 5.5 percent. Indicating that these developments indicate a stronger starting point for 2021-2022 forecasts in the world.

The IMF expects growth in the United States to be two percentage points higher than previous expectations at 5.5 percent, at its strongest rate since 1984. On the other hand, the Fund expected China to record a growth of 8.8 percent. The Fund estimated that the future is witnessing an "exceptional uncertainty", and more work is required to prevent permanent damage.

The Fund revealed that the stimulus package proposed by US President Joe Biden, amounting to 1.9 trillion dollars, could boost the economic output of the United States by 5 percent over the next three years. Indicating that the measures in the proposed package may add up to 1.5 percent to the growth of the US economy in 2021. The IMF expects the world's largest economy to grow by 5.1 percent this year after a 3.4 percent contraction in 2020.

Source (Al-Arabiya.net website, Edited)
The Kuwaiti Cabinet Approves the 2021-2022 Budget

The Kuwaiti Cabinet approved the budget for the fiscal year that begins in April and ends at the end of March 2022, with a deficit of nearly $40 billion (12.1 billion dinars), as a result of the significant increase in expenditures, which amount to 23 billion dinars, salaries and subsidies constitute about 72 percent of them, while estimates of capital spending have increased by 20 percent to 3.5 billion dinars, in order to support the national economy and limit the effects of the Corona pandemic, according to a Kuwaiti Ministry of Finance statement.

In contrast, the budget estimates revenues at 10.9 billion dinars, up from 7.5 billion dinars in the previous budget. Oil revenues are estimated at 9.1 billion dinars, up from 5.6 billion for the current fiscal year.

The budget figures assume an average oil price of $45 a barrel, and the level of production is estimated at 2.4 million barrels per day. For comparison, last year's budget assumed an average oil price of $30 a barrel, and the level of production at 2.5 million barrels.

As in last year's budget, the budget does not provide for deduction of any percentage of revenues for the Future Generations Fund. But the biggest challenge facing Kuwaiti finance lies in financing the deficit. According to Finance Minister Khalifa Hamadah, the General Reserve Fund suffers from fundamental challenges in liquidity as a result of withdrawing from it, while the parliamentary refusal to pass the public fund is a major obstacle to financing the deficit.

The Saudi Economy to Grow by 2.6% in 2021

The International Monetary Fund has predicted that the Saudi economy will grow by 2.6 percent this year, after the kingdom's economy contracted last year due to low crude prices, in addition to the Coronavirus crisis.

The Saudi government estimates reveal an expected growth of 3.2 percent during the current year, after shrinking by 3.7 percent during 2020, while the IMF had expected in October of last year a growth of 3.1 percent during 2021, after a contraction of 5.4 percent last year.

The Fund expects that the Saudi economy will grow by 4 percent during the next year 2022, indicating that the approval of several vaccines and the initiation of vaccination by some countries during last December reinforces hopes for the end of the pandemic, but it warned of an "exceptional uncertainty" that the global economy is still facing.

In addition, Saudi Arabia seeks to invest between 150 to 200 billion riyals ($66 billion) annually in new Saudi projects, as it is expected that the coming period will be more momentous, as capital spending on new projects will be doubled significantly, one trillion riyals ($266 billion) will be invested until 2025.

Source (Asharq Al-Awsat Newspaper, Edited)
The Qatari Economy is Expected to Grow by 3.9 percent

According to a report issued by it, the United Nations expects that the Qatari economy will witness continuous growth during the years 2021 and 2022, and it is expected that Qatar's GDP will achieve a growth of 3.9% in 2021, to record a growth of 2.8% in 2022.

According to the report, the expected increase in Qatar's GDP growth comes supported by the recovery of oil prices and the continued spending on projects related to the 2022 World Cup. According to the data contained in the report, this increase places the Qatari economy at the forefront of the most growing economies in the Gulf and the region in 2021, despite the devastating economic and social consequences of the Coronavirus around the world.

The report expects that the economies of the Gulf region will recover from the consequences of the Corona pandemic, and achieve economic growth of about 3.5% during 2021, with the support of high oil prices, and that the energy sector will be the main engine for the growth of government revenues for the GCC countries, compared to a contraction of 5.4% in 2020, to grow in 2022 by 2.5%.

The report also warned that the devastating social and economic impacts of the Covid-19 pandemic will remain tangible in the coming years unless there are smart investments in building economic, social and climate resilience to ensure a strong and sustainable recovery of the global economy. The report noted that the global economy contracted by 4.3% in 2020, which is two and a half times more than the contraction that occurred in the global economy during the global crisis in 2009. It revealed that the modest growth expected for the global economy in 2021, which is estimated at 4.7%, will hardly cover losses in the year 2020.

Source (Al-Raya Newspaper-Qatar, Edited)

The price of oil remains unchanged, while the GDP growth of the United Arab Emirates and the region is expected to grow by 2.2% this year, down from an expected growth of 2.8% in 2020.

Based on the rapid distribution of vaccines, the expectations became more optimistic for the second half of 2021, especially in light of the launch of Expo 2020 in October.

Source (London-based Arab Newspaper, Edited)