The International Monetary Fund has revealed a significant impact of the Russian invasion of Ukraine on the growth prospects of the poorest economies in the Middle East and North Africa, while oil-exporting countries benefit from higher crude prices.

In a report on the performance of the Middle East and North Africa region, the Fund expected that the economic growth of the oil-producing Gulf Cooperation Council countries would accelerate to 6.4 percent in 2022, after its previous forecasts indicated a growth of only 2.7 percent, which represents an increase of 2.2 percentage points. The IMF expected that the gross domestic product of the Kingdom of Saudi Arabia, which is the largest economy in the region and one of the largest oil exporters in the world, will grow by 7.6 percent in 2022. The International Monetary Fund raised its expectations for growth rates in general for the Middle East and North Africa region to 5 percent in 2022, after it had expected a growth of 4.1 percent last October. However, this improvement masks significant disparities between countries in the region. The recovery is expected to be uneven and affected by the extent of the diversification of economies.

Jihad Azour, director of the IMF’s Middle East and Central Asia Department, said that "before the war in Ukraine, the region's economy was showing signs of a strong recovery, and the only negative side was inflation, which began to rise in 2021 and remained high."

Source (Al-Sharq Al-Awsat Newspaper, Edited)
The International Monetary Fund praised the role of the private sector in strengthening the Egyptian economy, which faces external and internal challenges and difficulties, which will hardly be reflected in growth and employment rates.

Jihad Azour, director of the Middle East and Central Asia Department at the International Monetary Fund, pointed out that "the role of the private sector in Egypt is essential, and the state must support it and complement it."

Last March, the activity of the non-oil private sector in Egypt contracted at the fastest pace since the first months of the Corona virus pandemic, as the repercussions of the Russian invasion of Ukraine affected business and caused prices to rise. The Purchasing Managers' Index in Egypt, which was issued by Standard & Poor's Global, fell to 46.5 from 48.1 in February, to remain below the 50 level separating growth and contraction for the 16th consecutive month.

Azour commented on the Egyptian president's decisions regarding the private sector, stressing that it is one of the main objectives that were set in Egypt's economic reform program in 2016, and the second program is to raise the level of participation of the private sector in the Egyptian economy.

He explained that the private sector in Egypt is dynamic, developed and capable of leading the Egyptian economy.

Source (Al-Sharq Al-Awsat Newspaper, Edited)