The International Monetary Fund revealed that the war in Ukraine had little impact on the Saudi economy, given that trade links are small, direct financial links are negligible, and imports of wheat and grain from that region are few. However, the indirect effect of the war in Ukraine is the high oil prices, which positively affect the support of the Saudi economy and the budget surplus and reserves.

The IMF noted that the factors that the Fund monitors are the implementation of the reform agenda in Vision 2030, which is progressing very well, for example, the full implementation of the national investment strategy, which may support the growth of the economy by an additional three percentage points.

The Fund recommended that Saudi Arabia maintain the momentum of reforms regardless of developments in oil prices, because it is important to continue fiscal discipline, to ensure the sustainability of financial stability, regardless of what happens to the oil price. The Fund also recommended the implementation of a number of structural reforms, many of which were implemented through Vision 2030, from labor market reforms to business climate to digitization and others. These are necessary to unleash the development of the private sector. The fund also made another recommendation, which is to ensure that the participation of the sovereign fund and others is always to support the private sector and maximize returns to help the Saudi economy.

Source (Al-Arabiya.net Website, Edited)
Qatar’s Budget Records a Surplus of 47.3 Billion Riyals

Qatar’s budget at the end of the first half of 2022 recorded a surplus of 47.3 billion riyals, compared to a surplus of 4 billion riyals in the corresponding period of last year. Data from the Qatari Ministry of Finance showed a growth in public revenues by the end of the first half of this year by 58.3% to reach 150.7 billion riyals, supported by an increase in oil and gas revenues by 67% to more than 117.6 billion riyals.

On the other hand, general expenses increased by 13.6% on an annual basis to 103.6 billion riyals, driven by the increase in expenses on major projects by 17.4% to more than 35.1 billion riyals.

As a result, Qatar’s general budget surplus at the end of the first quarter of this year amounted to 235 billion riyals, which represents about 7% of the total GDP. The fund estimated that the general revenues of the State of Qatar will record 280 billion riyals this year, compared to expected expenditures of 235 billion riyals. The general budget surplus in the first quarter of this year amounted to 13.6 billion riyals, supported by the growth of oil sector revenues.

Source (CNBC Arabic Website, Edited)

"Fitch" Upgrades Oman’s Credit Rating with a Stable Outlook

"Fitch" agency expected the Sultanate of Oman to achieve a fiscal surplus of 5.5 percent and 3.4 percent of GDP in 2022 and 2023, respectively, achieving the first fiscal surplus since 2013, real GDP growth will rise to 4.4 percent in 2022 from 3.0 percent in 2021, and then to 2.8 percent in 2023.

The agency also expected a decline in government public debt to 46.7 percent of GDP in 2022 and 44.9 percent in 2023, and a decrease in the level of state-owned corporate debt relative to GDP in 2022. According to the agency, the Sultanate of Oman succeeded in meeting the requirements of external financing for the year 2022 and reducing the size of the external debt maturities for the year 2023 to $1.7 billion through the proactive management of the lending portfolio. The agency expected a rise in sovereign net foreign assets in 2022, bringing the total foreign reserves in the Central Bank of Oman in the period 2022-2023 as a result of financial surpluses in the current account.

Source (Al-Dustour Jordanian Newspaper, Edited)