Gulf Countries Economies will Record the Highest Annual Growth Rate in a Decade by the end of 2022

In its report on economic growth prospects for the Middle East, the World Bank revealed that the economies of the Gulf States, led by Saudi Arabia, recorded the highest annual growth rate in a decade at the end of last December, thanks to higher energy prices and increased production.

According to the bank’s report, the Middle East and North Africa region witnessed a positive year, recording the highest annual growth rate in a decade, amounting to 5.7 percent in 2022, thanks to the rise in oil and gas prices and the increase in production volume. The GCC countries, led by Saudi Arabia, the UAE, and Kuwait, were able to increase their production and export volume last year at the fastest pace in nearly 10 years while maintaining inflation rates at levels well below the global average.

The World Bank lowered its growth forecasts for these countries, reflecting the expected slowdown in major trading partners, new cuts in oil production, and the repercussions of tightening monetary policy. The bank expected Saudi Arabia’s economic growth to slow to 3.7 percent in 2023 and then to 2.3 percent in 2024. While the UAE economy is growing by 4.1 percent this year, then slowing down to 2.3 percent next year. As for Kuwait’s economy, its growth is likely to slow to 2.5 percent this year and 2024.

Source (Al-Arabiya.net Website, Edited)
The World Bank cut its global growth forecast in 2023 to 1.7 percent, compared to the 3 percent rate expected 6 months ago. According to the bank, the global economy is expected to grow at a rate of 2.7 percent in 2024.

According to the bank, the sharp decline in growth is expected to be broad-based, with forecasts revised downward to about 95 percent of advanced economies and about 70 percent of emerging market and developing economies.

“The crisis facing development is deepening as global growth prospects worsen, emerging market and developing economies are facing multi-year slowdowns in growth due to heavy debt burdens and weak investment, as global capital is being taken over by advanced economies that are facing very high levels of government debt and high-interest rates,” said David Malpass, President of the World Bank Group.

He stressed that weak growth and investment in business activities would exacerbate serious setbacks in the areas of education, health, poverty reduction and infrastructure, as well as increased demands related to climate change.

Source (Al-Arabiya.net Website, Edited)
The International Monetary Fund lowered its forecast for the growth of the Egyptian economy, expecting it to grow at a rate of 4 percent, compared to a growth expected in a previous report last October at 4.4 percent.

The International Monetary Fund ruled out the decline of the inflation wave in Egypt two years ago, expecting inflation to decline to 7 percent in the fiscal year 2024-2025.

The head of the International Monetary Fund’s mission to Egypt, Ivana Holler, estimated the financing gap in Egypt at about $17 billion over the next four years. Faced with the dollar crisis in Egypt, the government directed its ministries to cut unnecessary spending until the end of the fiscal year at the end of next June. The decision included postponing any new national projects that have not been started and “have a clear dollar component,” in addition to requiring government agencies to obtain the approval of the Ministry of Finance to “authorize spending with the foreign component, on any of the aspects of spending.” The provisions of the decision do not apply to the ministries of health, interior, defense, and the general office of the Ministry of Foreign Affairs, nor to the authorities in charge of managing food commodities, petroleum materials, and gas. The rationalization controls include all travel abroad, except for extreme necessity, and with the approval of the Prime Minister. Activities categorized as non-essential needs include marketing and conference activities, as well as grants and staff training.

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