Moody’s Expects To Continue Strong Growth in Saudi Banks’ Profits

Moody’s expects Saudi banks to continue to post strong net profits thanks to a solid credit volume that will support interest income overall, while fee-related income will remain strong.

Moody’s forecast moderate pressure on net interest margins in the Saudi banking sector in 2024 before easing in 2025.

Booming lending expected to record growth in the highest single digits during the year and strong income from fees and commissions due to high demand for financial products in a healthy economy will ease the pressure from shrinking margins, the Arab World News Agency reported.

Source (Al-Arabiya.net Website, Edited)

The Highest GDP Per Capita In Africa.. Two Arab Countries on the List

Data released by the International Monetary Fund showed that Seychelles tops the list of African countries in the GDP per capita index of $21,580 in 2023, while Mauritius and Gabon come in second and third place, with GDP per capita ranging between $9,000 and $11,000 last year.

South Africa is sixth, with a GDP per capita of $6,140, behind Botswana ($7,640), Equatorial Guinea ($6,660) and Libya ($6,580). Algeria ranked eighth in the index, with a GDP per capita of $5,320, followed by Namibia and Cape Verde, $4,660 and $4,370 respectively.

Source (Al-Arabiya.net Website, Edited)

For The First Time In 30 Years.. Egypt Raises the Price of Subsidized Bread

Egyptian Prime Minister Mostafa Madbouly raised the price of a loaf of subsidized bread by 300 percent to 20 piasters as of the first of next June.

Madbouly explained that the price of subsidized bread has not been moved for more than 30 years, as the price of bread during that period has multiplied several times. He pointed out that the cost of a loaf of bread on the state is 1.25 pounds, while it sells it for 5 piasters. He pointed out that the value of annual subsidies for bread in Egypt is 120 billion pounds, and the daily production reaches 100 billion loaves.

Madbouly explained that the government aims to develop a vision to convert subsidies into cash before the end of the year to develop a plan and start implementing it starting from the budget for the fiscal year 2025-2026.

Source (Al-Arabiya.net Website, Edited)
Gold, Silver, and Platinum: Record Numbers and Demand Outstripping Supply

Gold demand rose 3 percent in the first quarter of 2024, according to data from the World Gold Council. Gold last week was at $2,450 an ounce, a record high supported by central banks that continue to buy, led by China, which in April bought gold for the 18th consecutive month. An ounce of gold has risen 14 percent since the beginning of the year.

As for silver, it is different given that demand for this metal fell 7 percent last year, but all expectations point to a rise of 3 percent this year. The gap between supply and demand for silver is 17 percent, meaning that demand is currently much stronger than supply. Silver has risen 35 percent since the start of the year, hitting a historic high of $48 an ounce in 2011. It hit a 20-year low at the end of 2008 at $9 an ounce, up from $19 earlier.

Source (Al-Arabiya.net Website, Edited)

Global Unemployment Rate Expected to Decline Slightly in 2024

The International Labor Organization (ILO) expects the global unemployment rate to decline slightly from 4.9 percent in 2023, despite continued inequality in labor markets.

The U.N. agency estimated in January that the unemployment rate would rise to 5.2 percent due to a rise in advanced economies. The main reason for the review is lower than expected in China, India, and high-income countries so far since the start of the year.

According to the OECD report, the downward trend of the rate is expected to stabilize in 2025 and continue at 4.9 percent.

Source (Al-Arabiya.net Website, Edited)

“Davos”: The Global Economy is Expected to Achieve Sustainable Growth of 4% Over the Next Five Years

A World Economic Forum poll shows 82 percent of top economists are cautiously optimistic about the stability of the economy or its growth in 2024 compared to last year.

The survey shows that about 70 percent of economists expect the global economy to achieve sustainable growth of 4 percent over the next five years, driven by technological transformation, artificial intelligence, and green transformation. They warned that the burden of geopolitical tensions, high debt levels, and climate change could dampen growth.

For the Middle East, most respondents expected moderate inflation in 2024. While 60 percent of economists indicated that they do not expect an adjustment to monetary policy during the remaining months of this year.

Source (Al-Arabiya.net Website, Edited)
Morocco Expects 2026 Budget Deficit to Decline despite Increased Social Spending

Morocco's Minister Delegate for Budget, Faouzi Lekjaa, predicted that the budget deficit will shrink to 3% in 2026 from 4% expected this year. Higher tax revenues offset increased spending on social safety nets. Lekjaa pointed out that nearly a third of the country's families, or 3.9 million families, benefit from health coverage that is borne by the state and direct cash social support. Spending on social protection programs, increasing civil servants' wages, and housing assistance requires an additional 90 billion dirhams (nine billion dollars) a year. He confirmed that government revenues will rise to 461.3 billion dirhams from 364.6 billion dirhams expected this year. The government's regular revenue rose 17.5 percent in the first four months of 2024, compared to the same period last year.

World Bank Expects Gulf Economies to Accelerate to 4.7% In 2025

The World Bank expects regional GDP growth for the Gulf Cooperation Council (GCC) countries to rebound to 2.8 percent in 2024, before accelerating to 4.7 percent in 2025. According to the report, with oil production quotas expected to gradually increase during the second half of 2024, oil GDP is supposed to grow by 1.7 percent before rising in 2025 to 6.9 percent. According to the IMF, non-oil GDP is expected to remain strong, growing by 3.6 percent in 2024 and 3.5 percent over the medium term, supported by expansionary fiscal policy, low interest rates, strong consumption, and private investment.

Sultan of Oman Approves Industrial Strategy 2040

Sultan Haitham bin Tariq, Sultan of Oman, has adopted the "Industrial Strategy 2040", with the aim of advancing economic diversification, improving the level of products of Omani industries, forming a modern technology-based manufacturing industry base, and launching the incentive program that includes a number of initiatives, including the transformation of limited liability companies into joint-stock companies. Qais bin Mohammed Al Yousef, Minister of Commerce, Industry and Investment Promotion, explained that the industrial sector is one of the main pillars in the economic diversification trends in the Sultanate of Oman, as it contributed 9 percent to the GDP at current prices by the end of 2023. He added that the Manufacturing Strategy 2040 was prepared in partnership with the United Nations Industrial Development Organization (UNIDO), to keep pace with the latest global economic developments and in line with Oman Vision 2040.

Sultan Haitham bin Tariq, Sultan of Oman, approved the "Industrial Strategy 2040" to keep pace with the latest global economic developments and in line with Oman Vision 2040. The strategy aims to develop the industrial sector and diversify the economy by encouraging investment in non-oil sectors, improving competitiveness, and promoting innovation and technology. The strategy includes several initiatives, such as providing incentives for investment in the industrial sector, improving the business environment, and developing infrastructure. It also aims to create jobs and improve living standards.

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Increased Social Spending in Morocco

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