

Middle East Economic Outlook: Cautious Recovery

Presenters



Gega Todua

Gega is the key analyst for the United Arab Emirates and Kuwait. He also contributes to projects focused on IFRS 9 and stress testing in the Middle East. Prior to joining Moody's, Gega was a junior researcher at the Center for Economic Research and Graduate Education (CERGE-EI) in Prague and a lecturer at the Institute of Economic Studies, Prague.



Brendan Meighan

Brendan is the key analyst for Qatar and Oman and contributes to commentaries on the Middle East. He received his master's degree in international relations and economics from the Johns Hopkins University's School of Advanced International Studies and his bachelor's degree in international affairs and economics from Lafayette College.



Daviti Jibuti

Daviti is an economist with responsibilities for macroeconomic research, forecasting (Egypt and Jordan) and model development. Prior to joining Moody's, Daviti worked as a macroeconomic analyst at the Global Projection Model Network and a lecturer at Masaryk University in Brno. Daviti holds a master's degree in economics from CERGE-EI in Prague.

Agenda

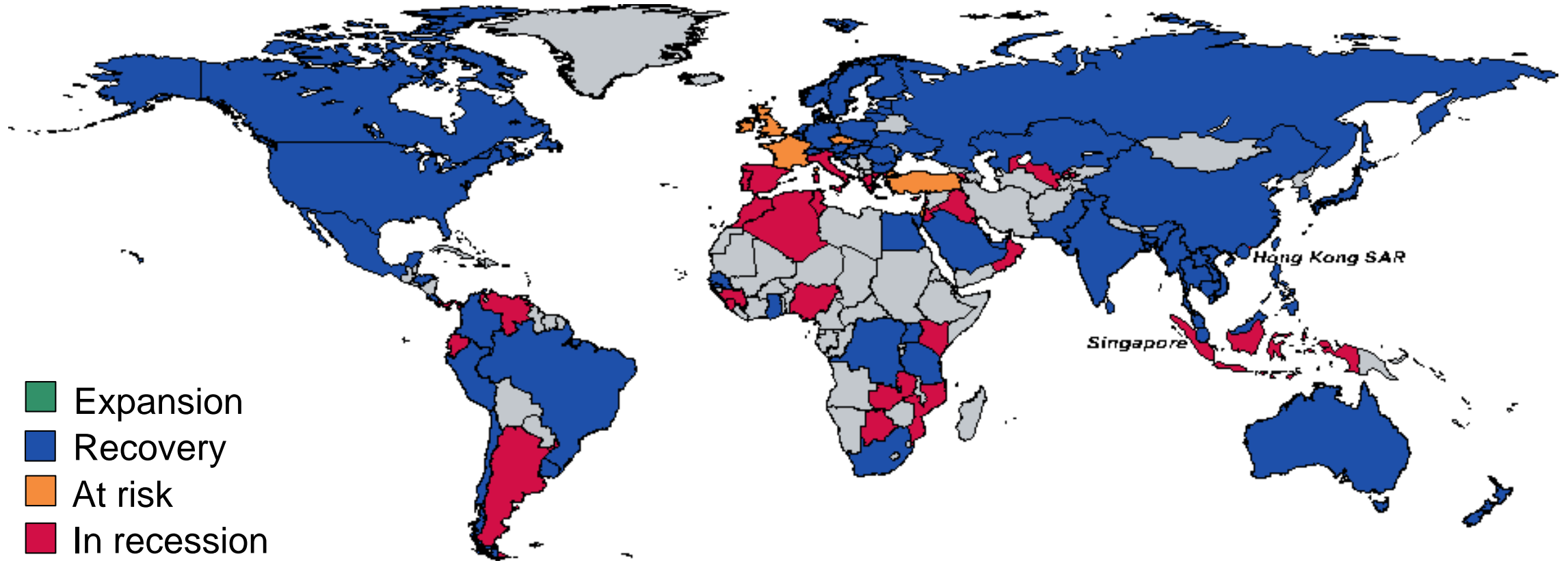
1. Global & Middle East Outlook
2. Qatar & Oman Outlook
3. Egypt & Jordan Outlook

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Global & Middle East Outlook

Global Business Cycle Status

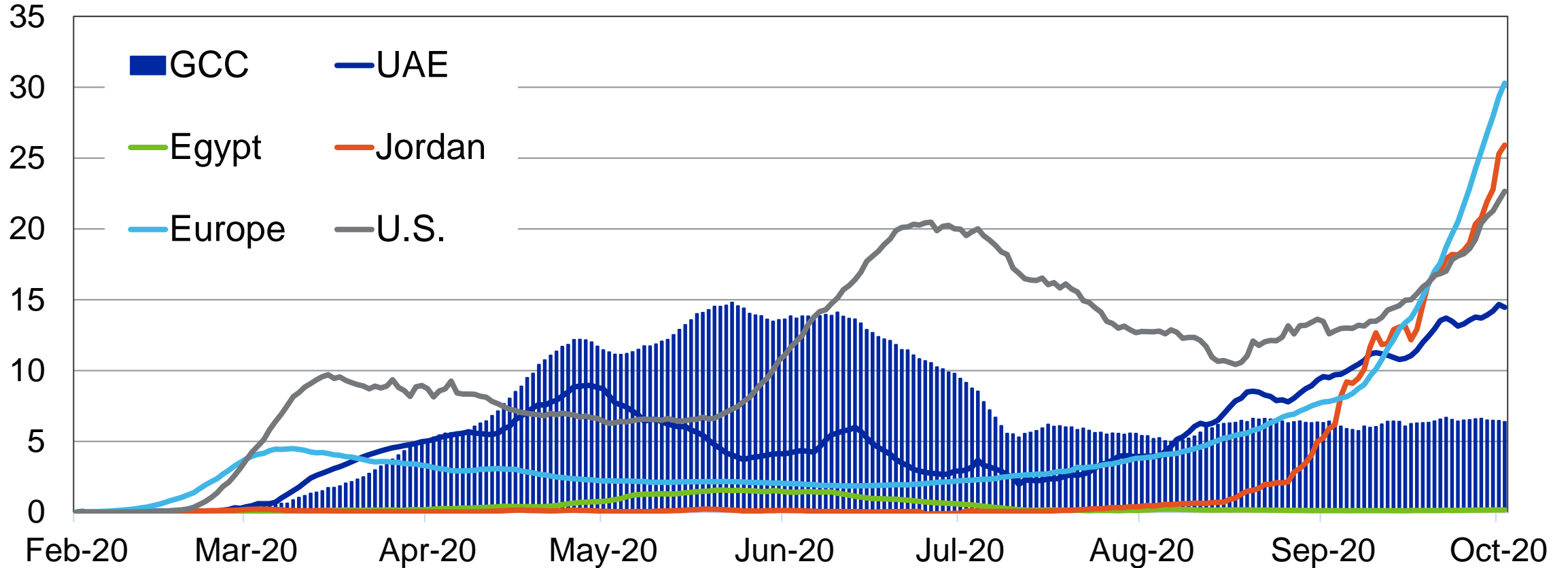
October 2020



Source: Moody's Analytics

Monitoring COVID-19

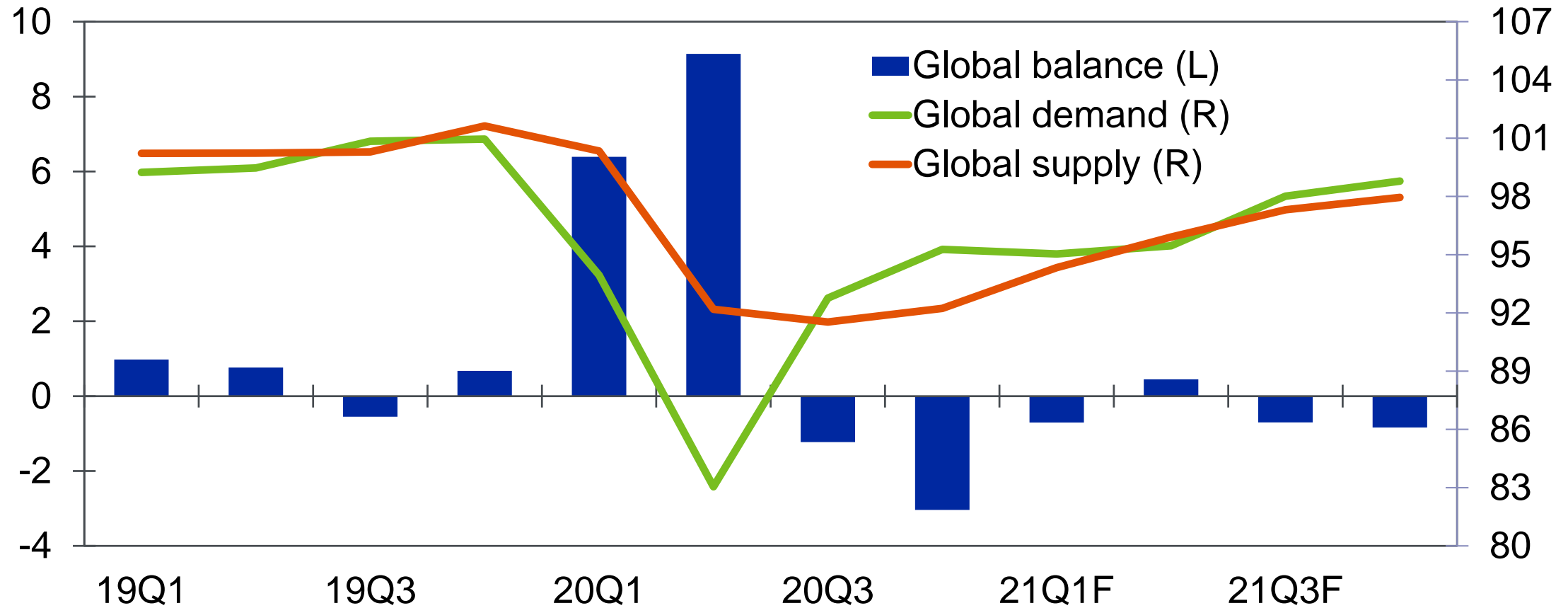
Coronavirus reported cases per 100,000 population, 7-day MA



Sources: WHO, Moody's Analytics

Demand Recovery Key to Oil Market

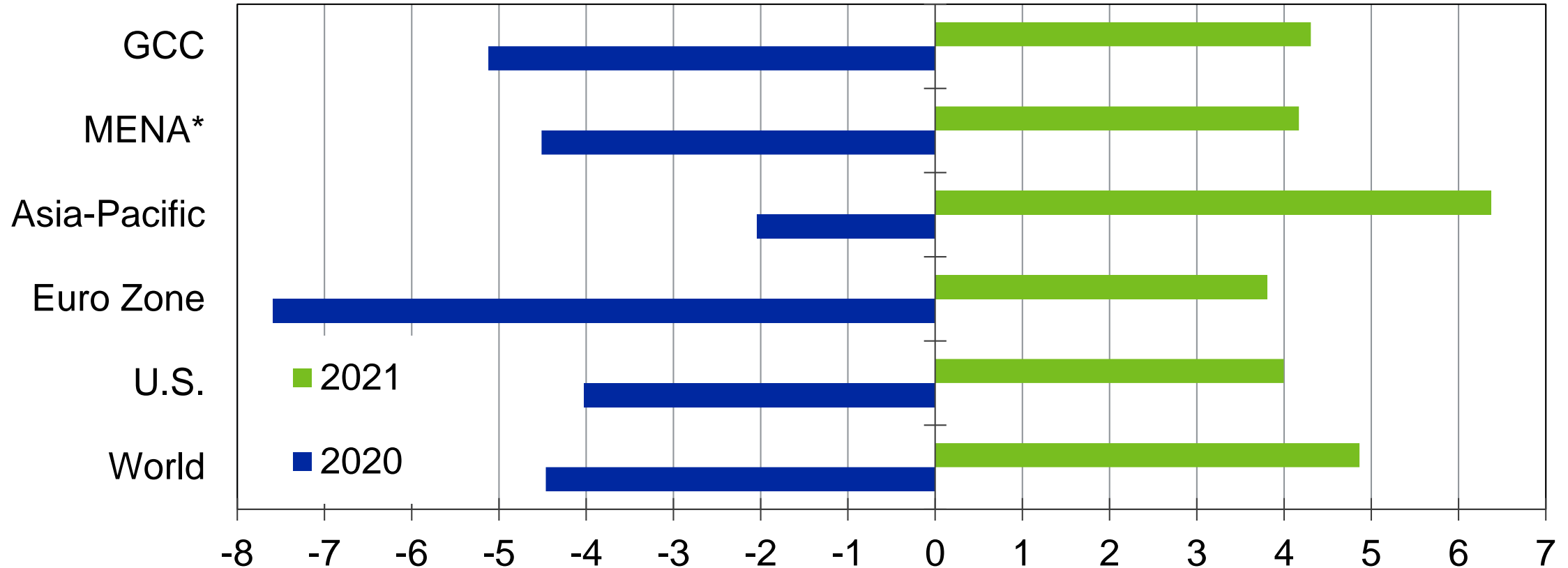
Mil bpd



Sources: International Energy Agency, Moody's Analytics

Economies Coming Out of Contraction

Real GDP, % change yr ago



* Consists of GCC countries, Jordan, Egypt, Lebanon and Algeria

Source: Moody's Analytics

Key Risks

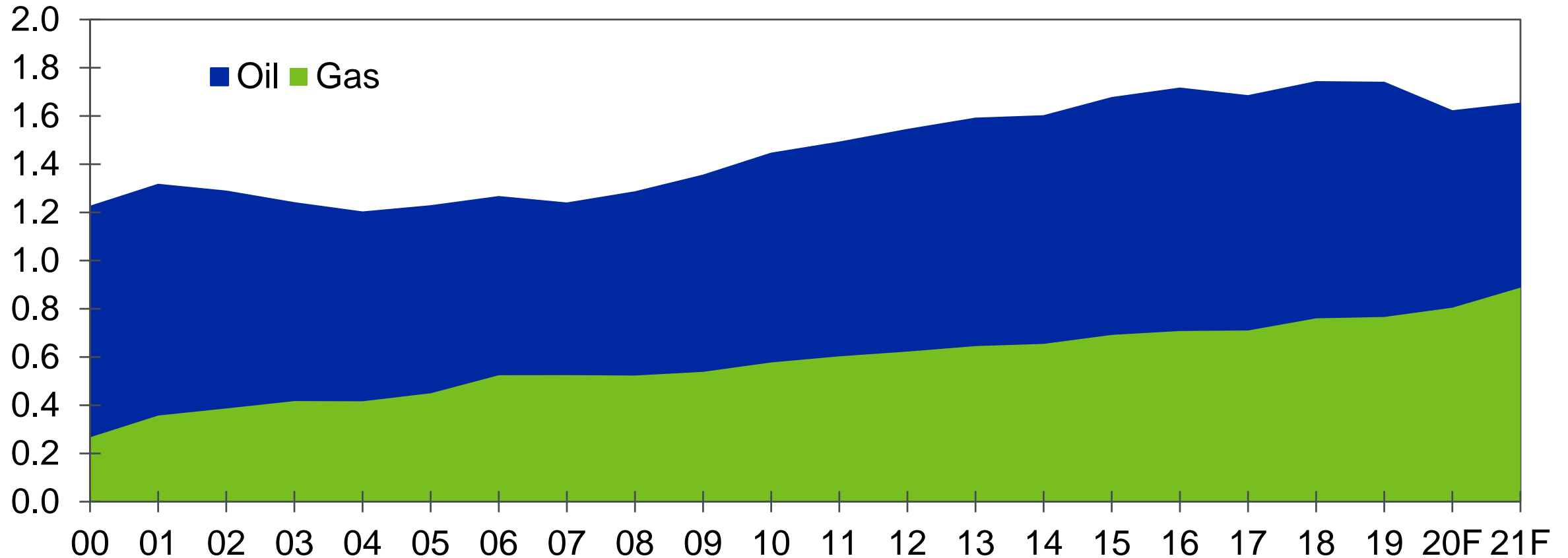
- » Recent rise in infections locally and globally
- » Oil price volatility
- » Fiscal sustainability
- » Geopolitical risks

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Qatar & Oman Outlook

Gas is More than Half of Energy Output in Oman

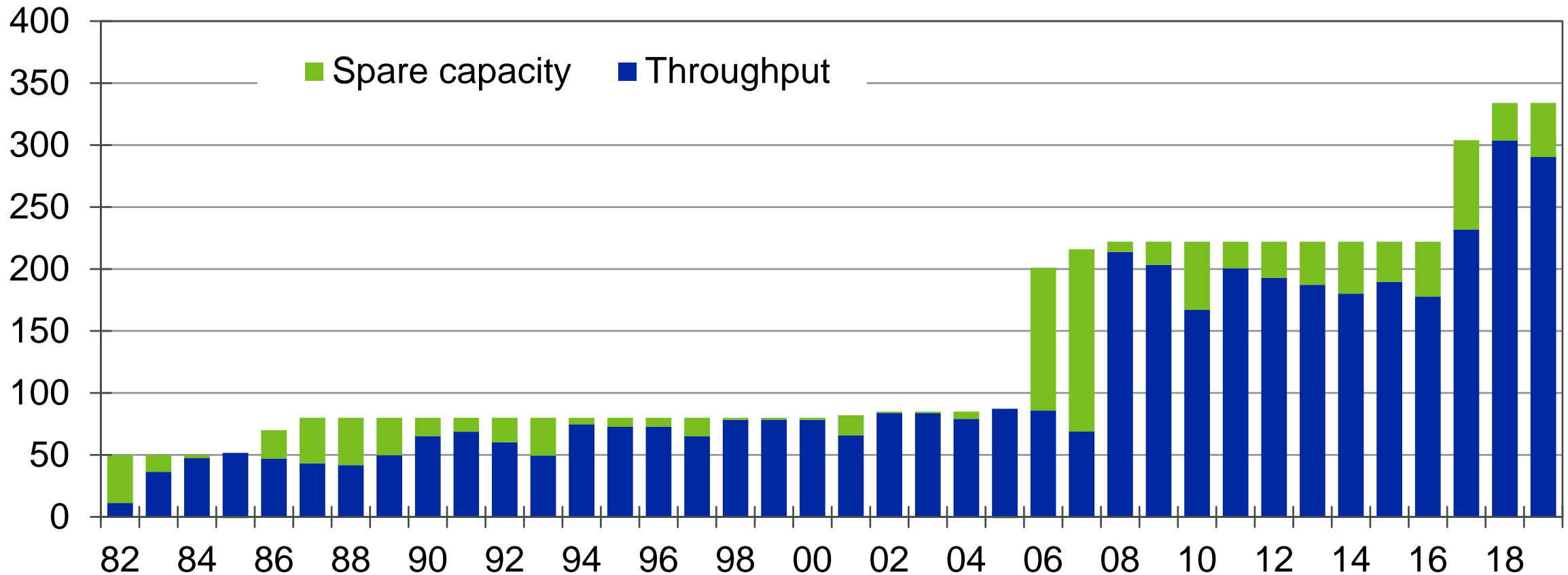
Mil bpd oil equivalent



Sources: IMF, Moody's Analytics

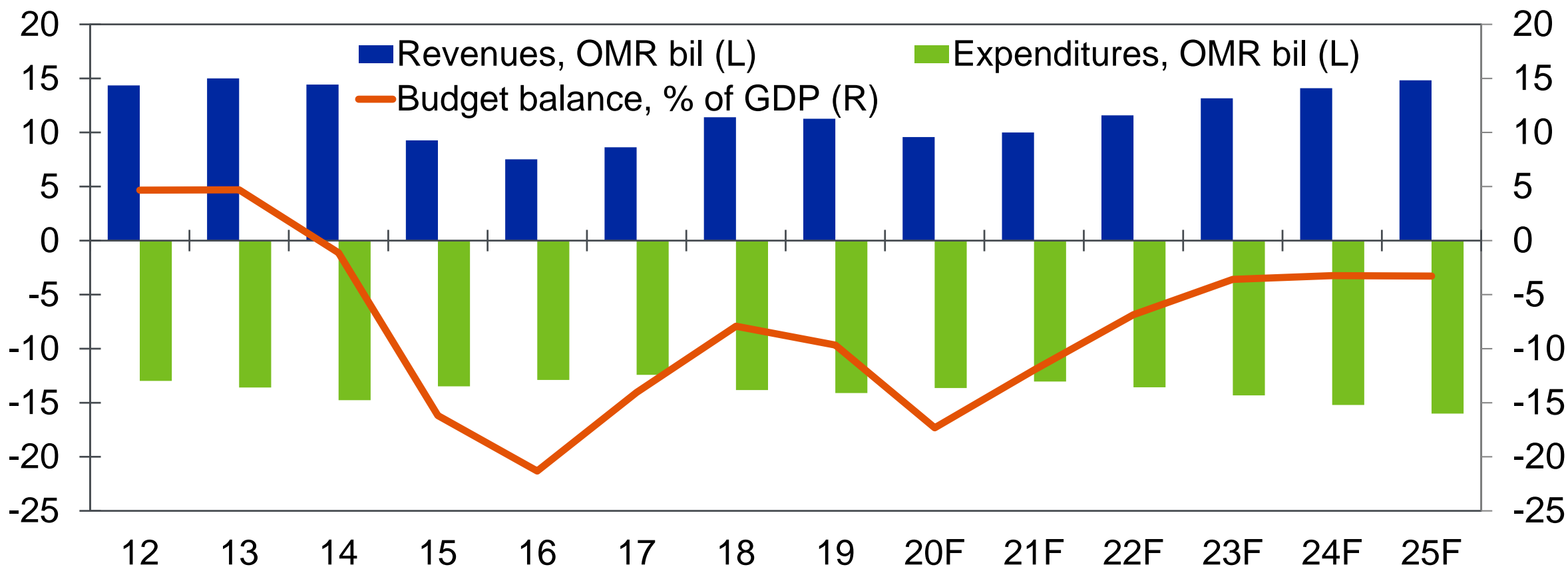
Refining Helps Supplement Flagging Oil Output

Ths bpd oil refining capacity



Sources: BP, Moody's Analytics

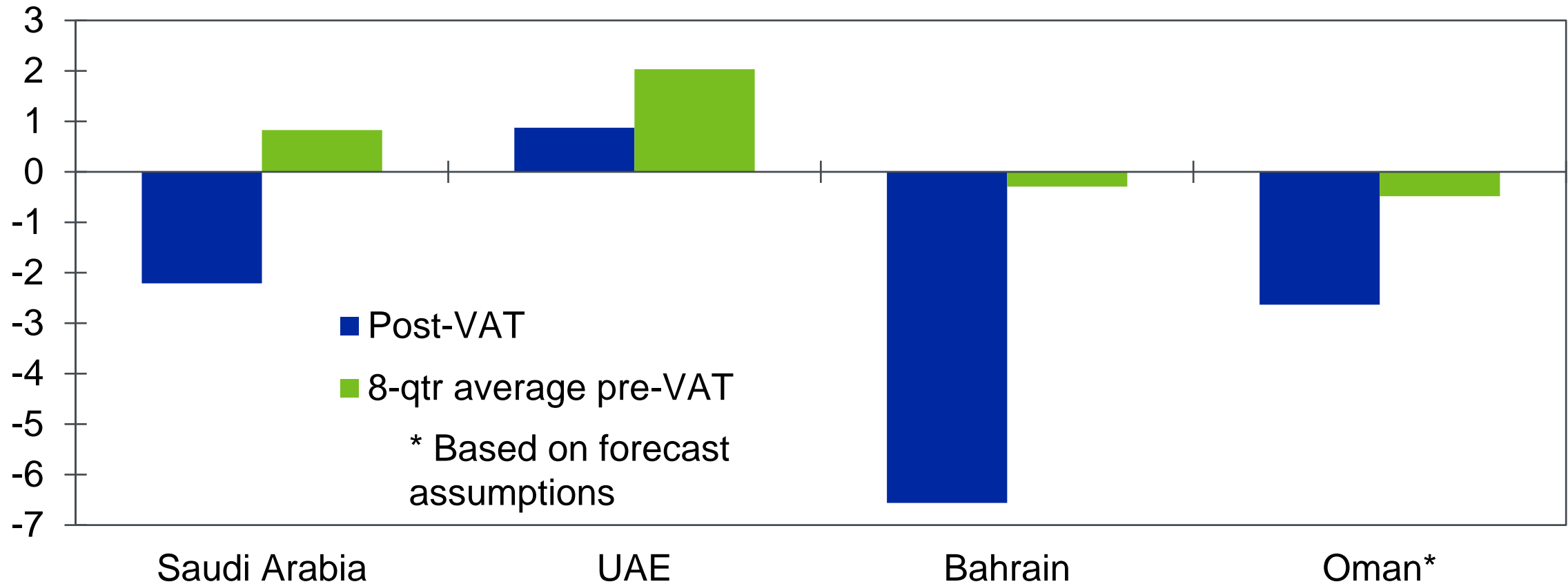
Oman's Budget Situation is Dire



Sources: IMF, Moody's Analytics

GCC VATs Tend to Slow Consumption

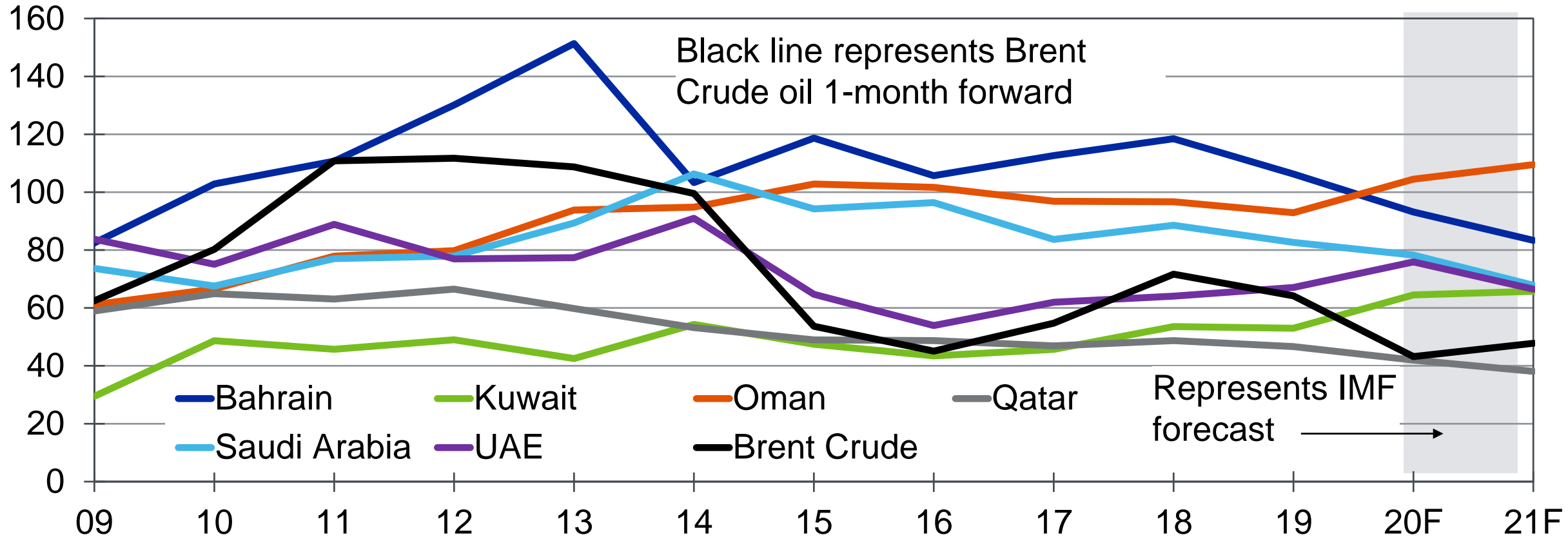
Real consumption, % change qtr ago



Sources: GCC statistical offices, Moody's Analytics

Breakeven Prices are Rising in Oman

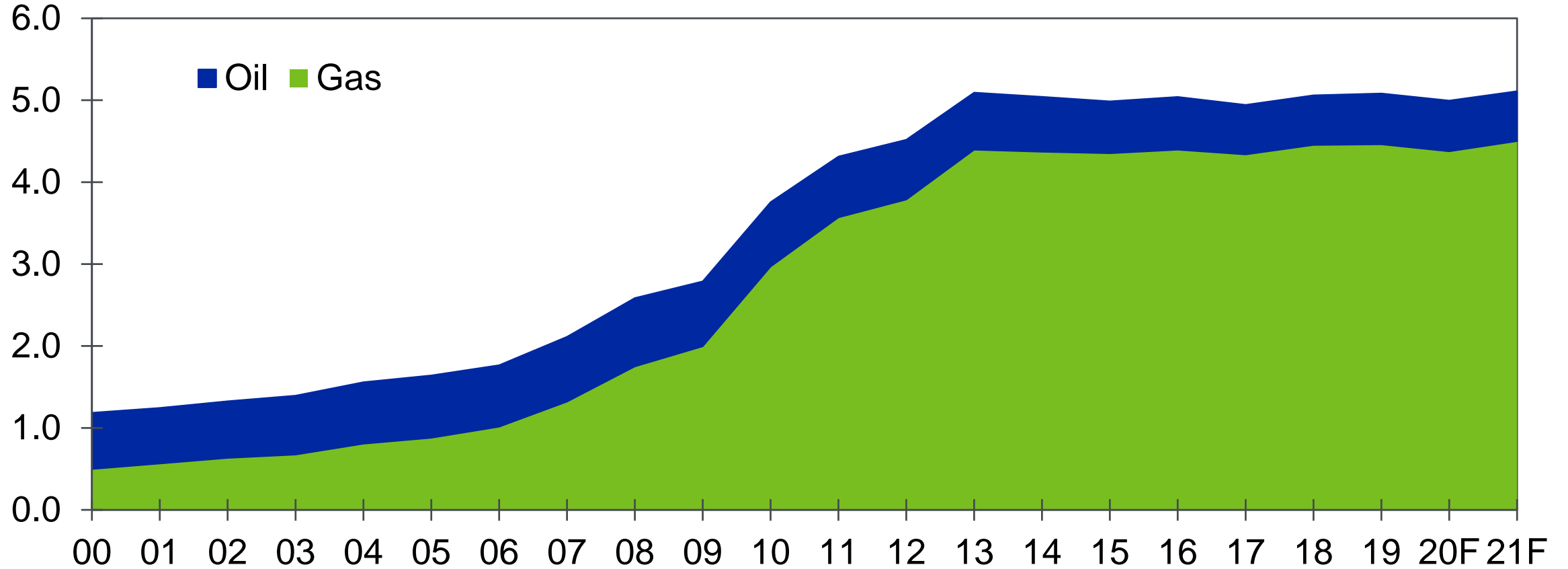
Price per barrel of oil required to balance budget



Sources: IMF, Moody's Analytics

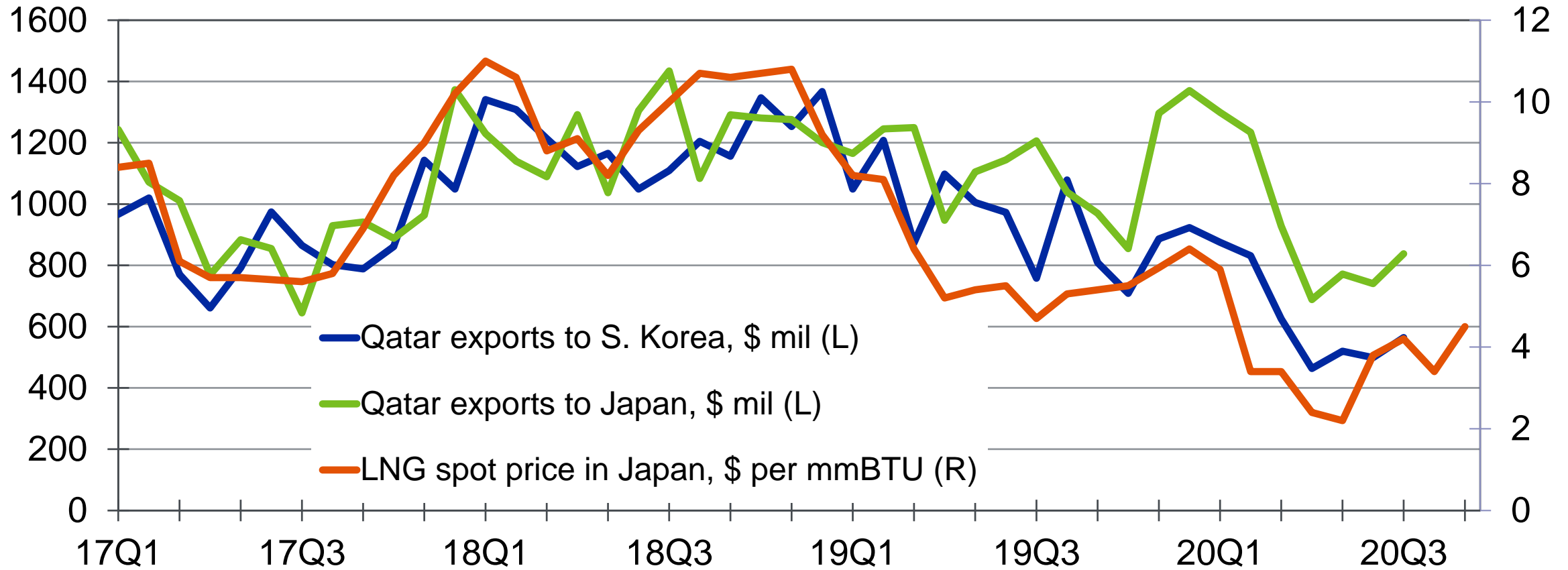
Gas Dominates in Qatar

Mil bpd oil equivalent



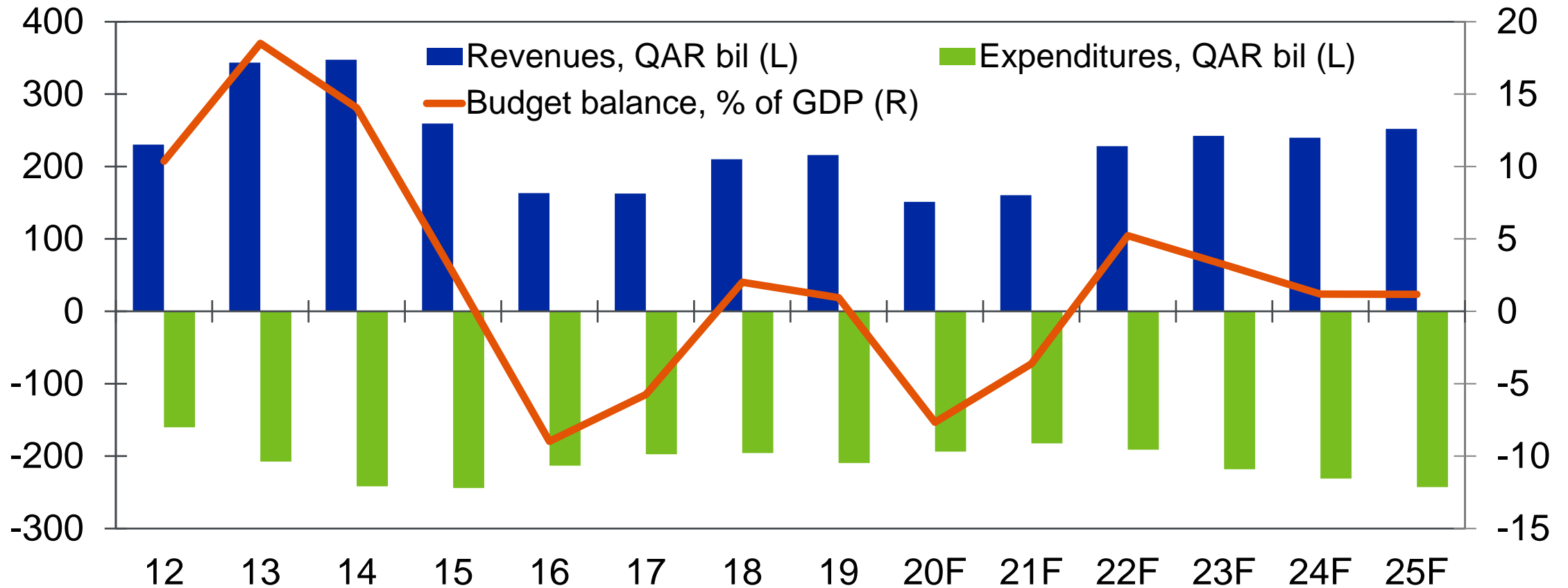
Sources: IMF, Moody's Analytics

Asia's Fortunes Drive Qatar Gas Sales



Sources: IMF, Japan METI, Moody's Analytics

Qatar's Budget is in a Solid Position

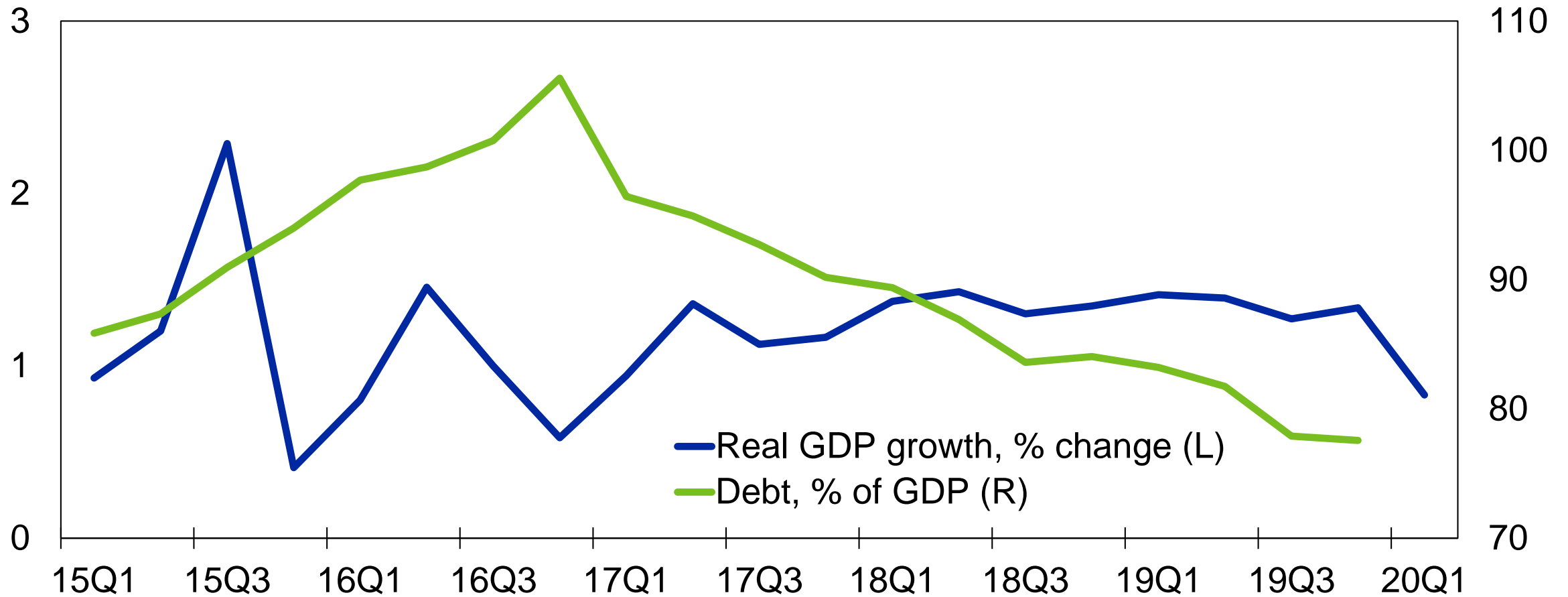


Sources: Qatar Central Bank, Moody's Analytics

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Egypt & Jordan Outlook

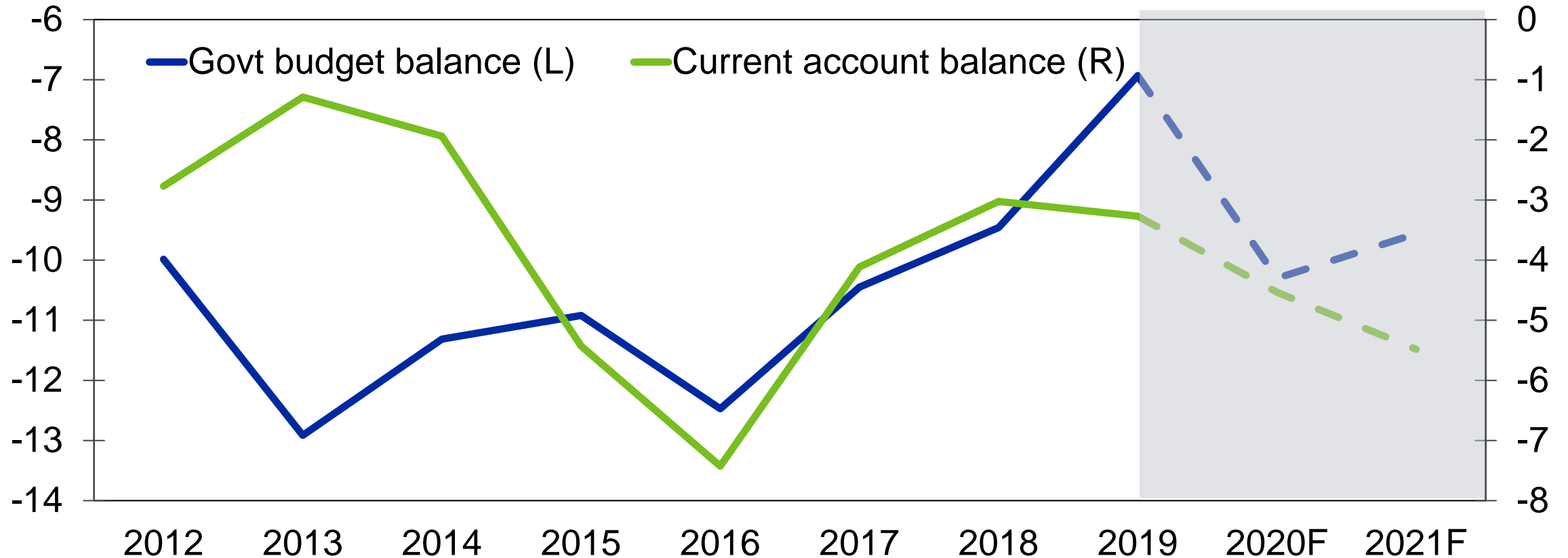
Egypt's Fundamentals Improved Markedly



Sources: World Bank, Moody's Analytics

Egypt Managed to Narrow the Twin Deficit

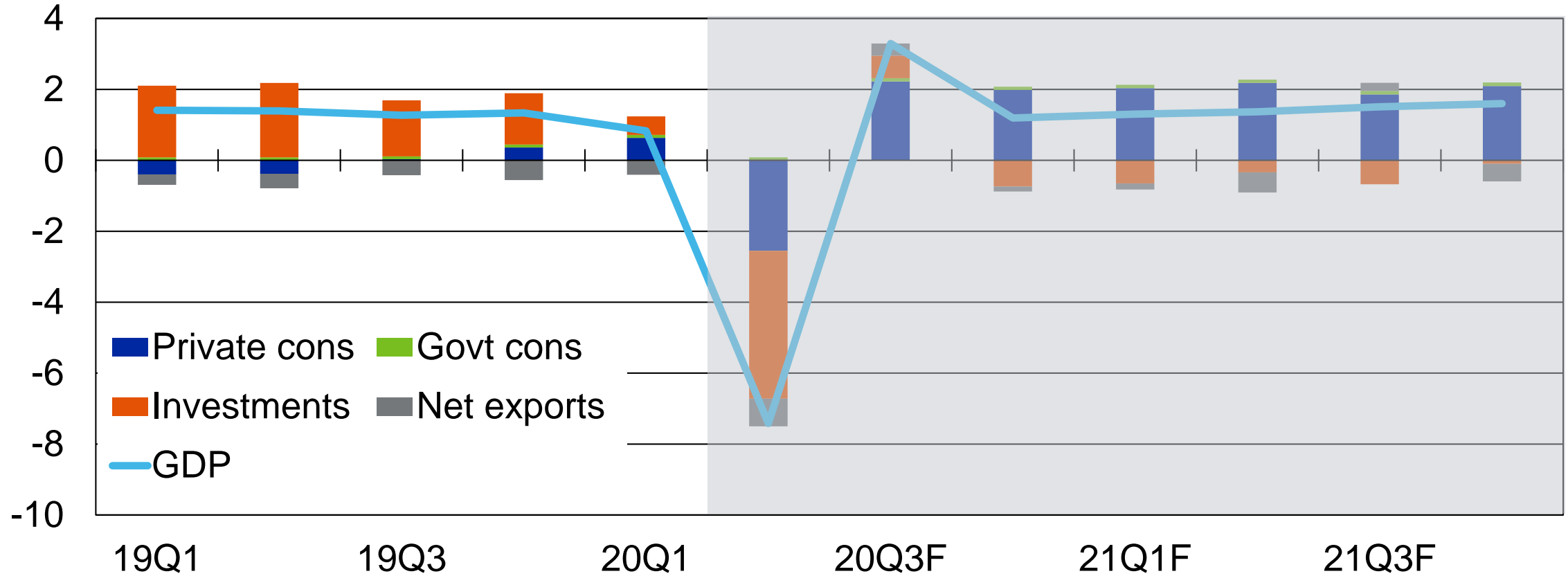
% of GDP



Sources: IMF, World Bank, Central Bank of Egypt, Moody's Analytics

Investment Plummeted in 2020Q1

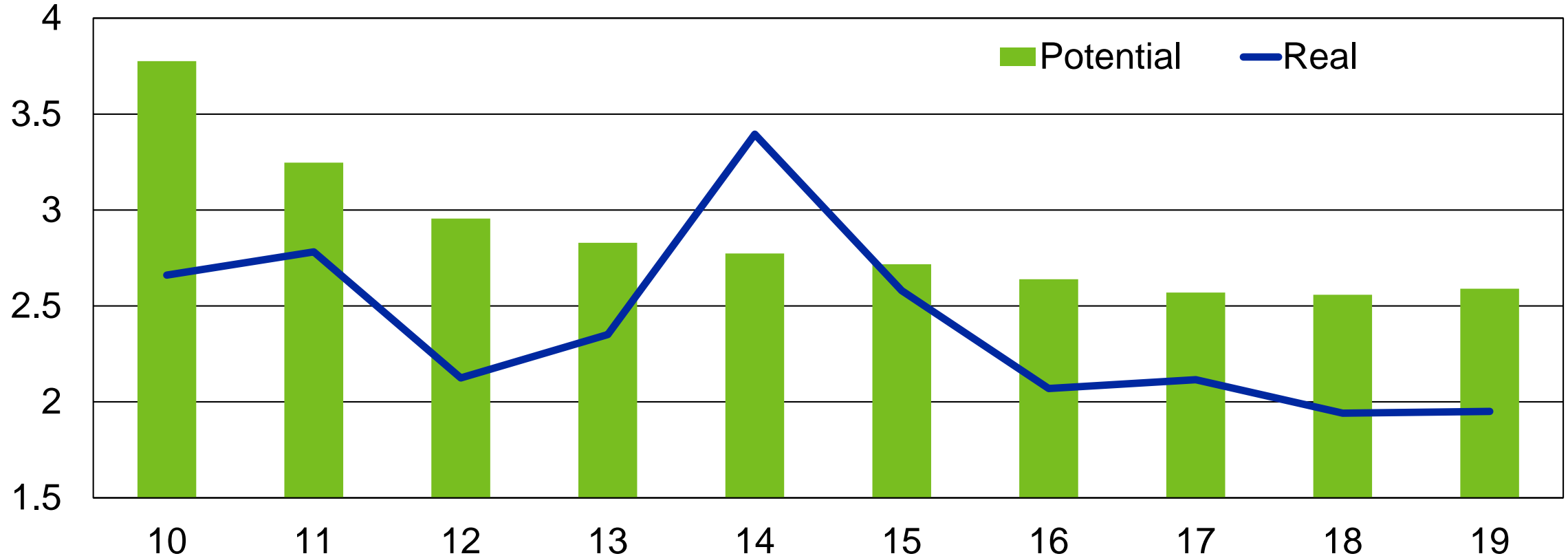
Contribution to real GDP growth, % change



Sources: World Bank, Moody's Analytics

Economic Activity Deteriorated in Jordan

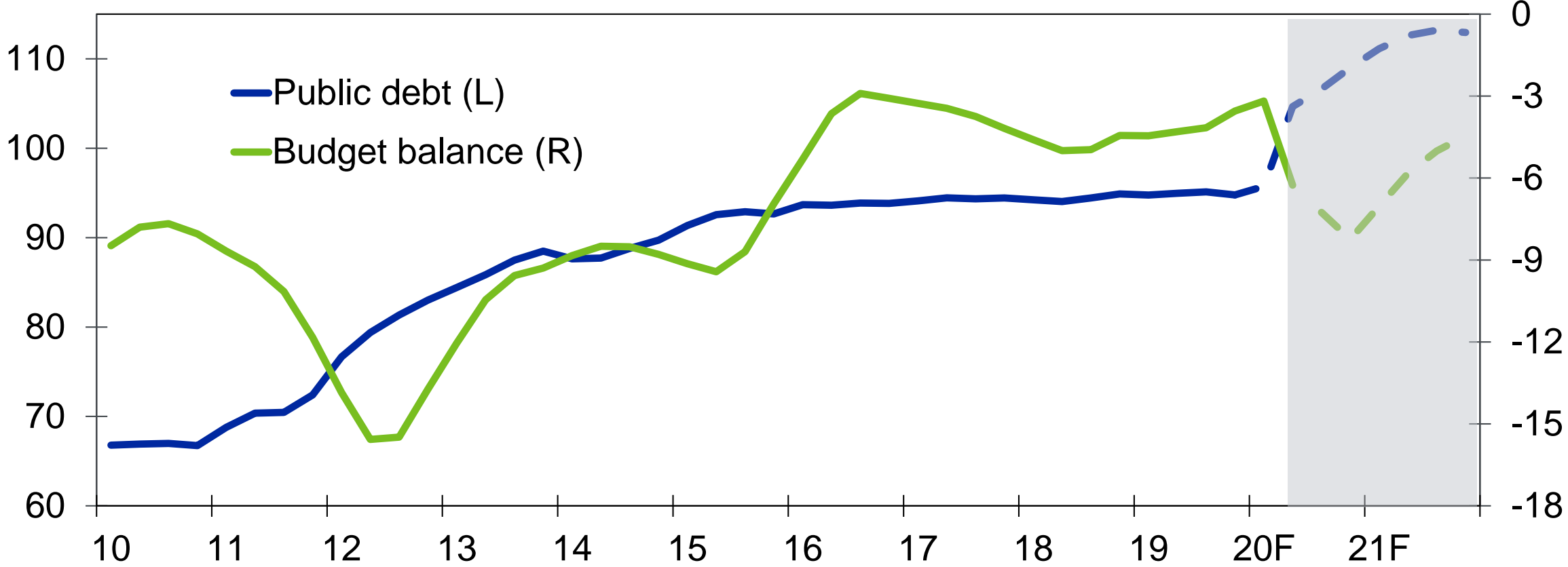
GDP, % change yr ago



Sources: UN, World Bank, Moody's Analytics

Fiscal Consolidation Helped Stabilize Debt in Jordan

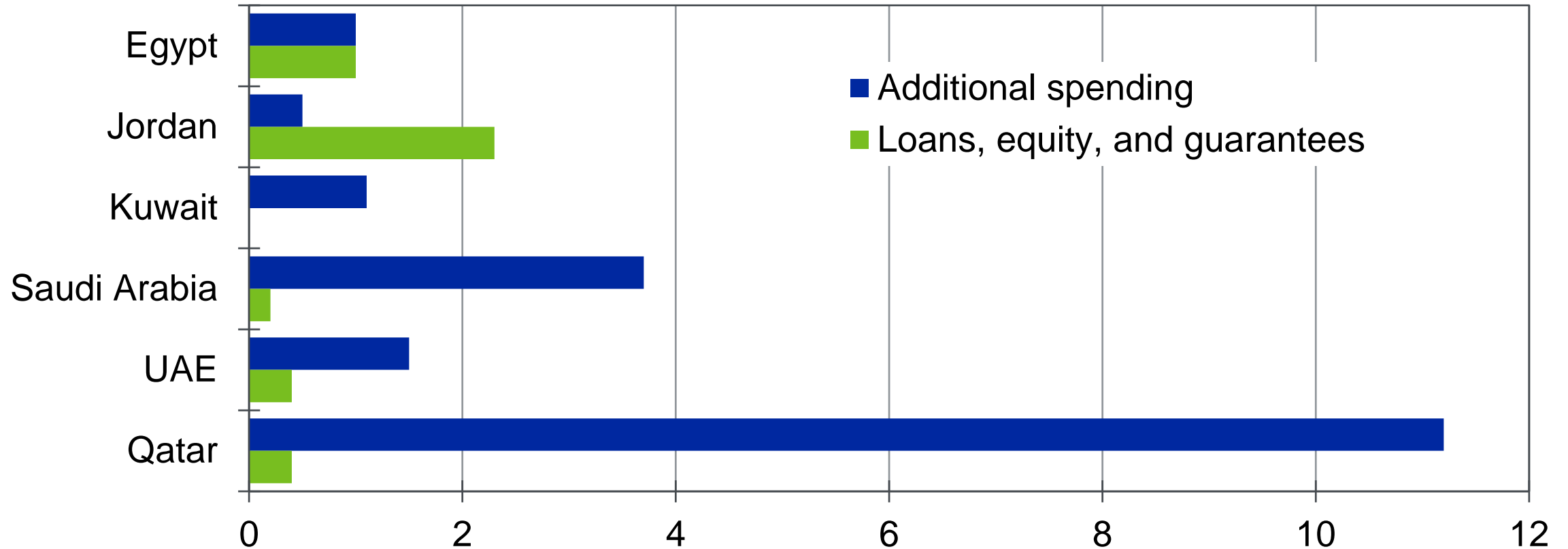
% of GDP



Sources: IMF, World Bank, Moody's Analytics

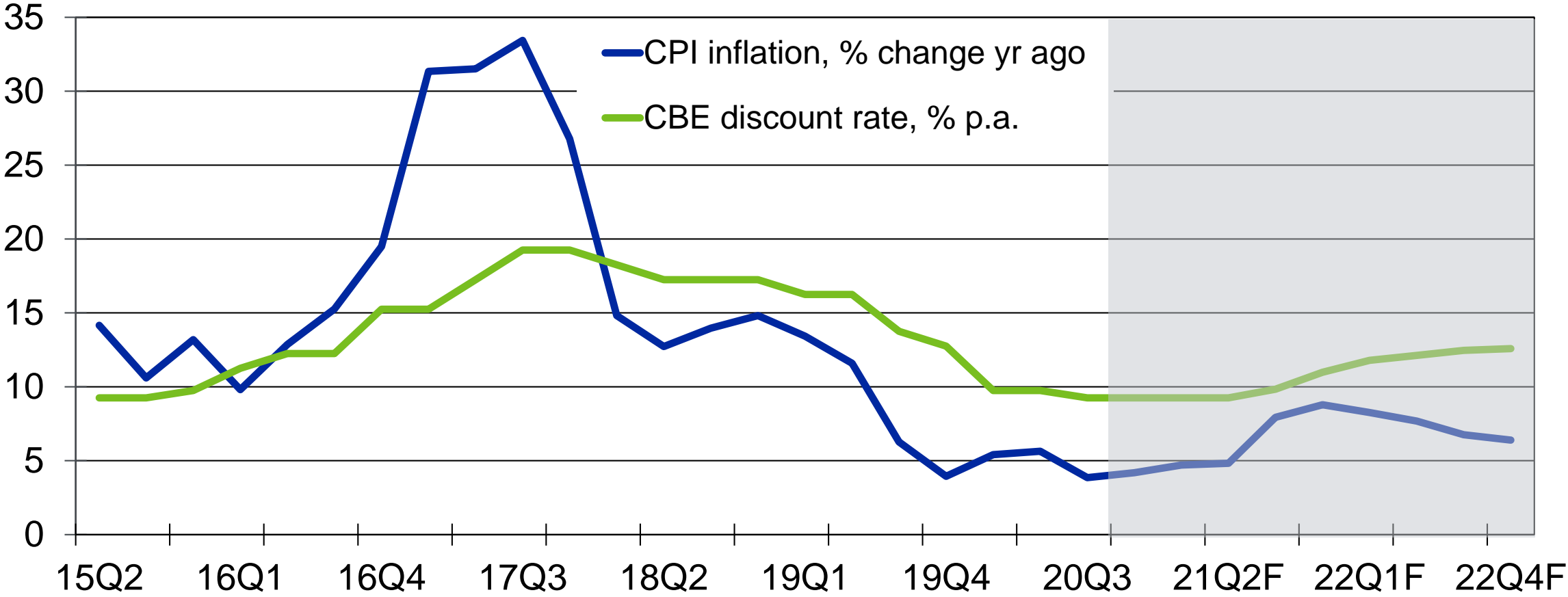
Muted Response to COVID-19 Crisis

Fiscal stimulus, select countries, % of GDP



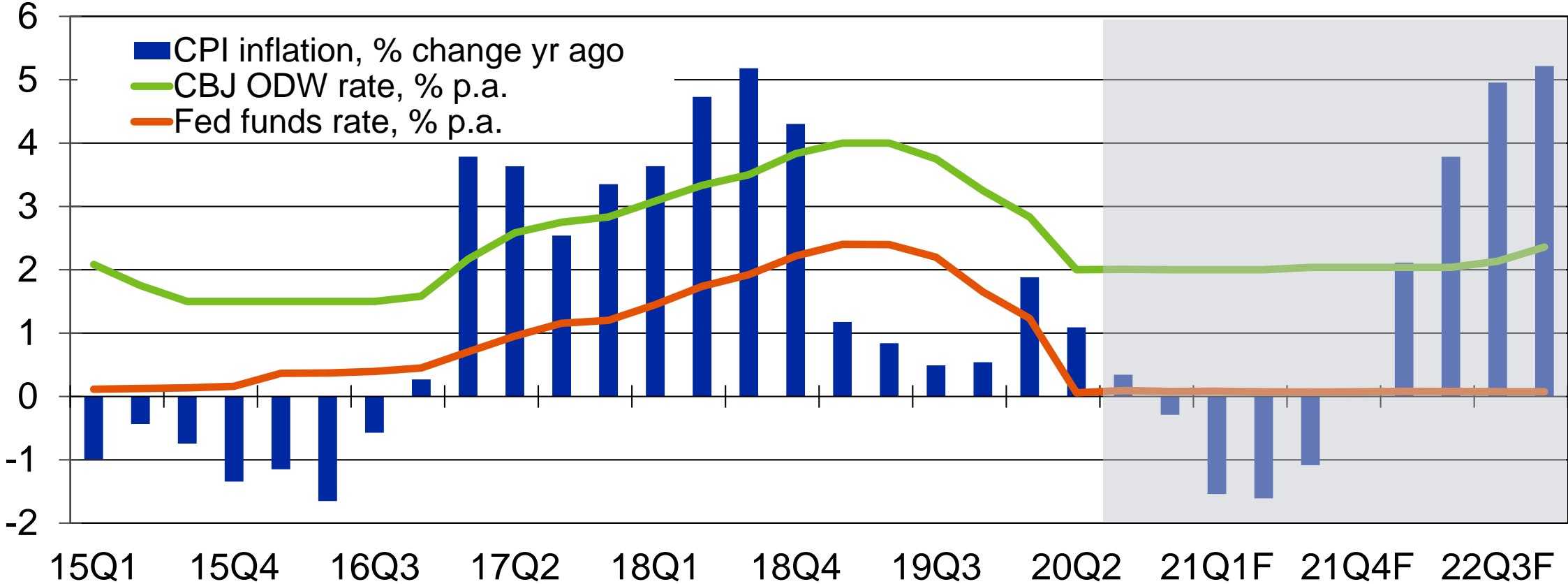
Sources: IMF, Moody's Analytics

Central Bank of Egypt Eased Policy Stance



Sources: Central Bank of Egypt, Moody's Analytics

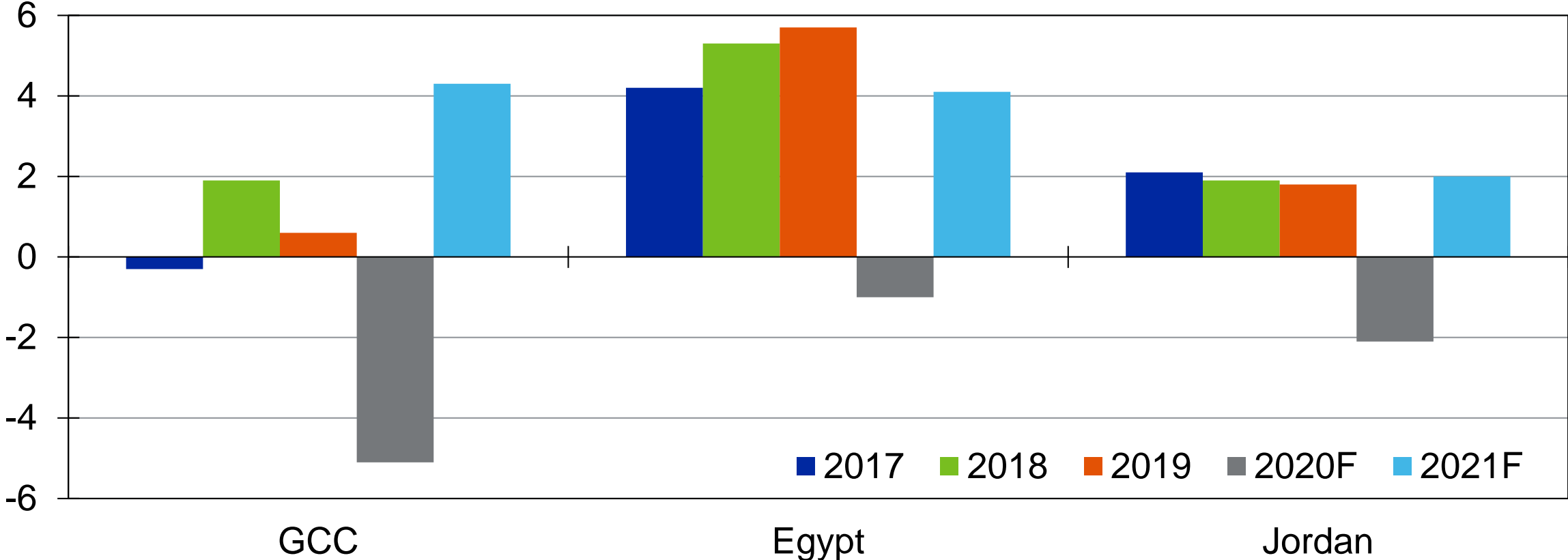
Central Bank of Jordan Followed the Fed



Sources: Central Bank of Jordan, US Fed, Moody's Analytics

Grim 2020 but Brighter 2021

Real GDP growth, % change yr ago



Source: Moody's Analytics

Summary

- » MENA economies recover, but downside risks prevail
- » Gas sector curbs the pandemic impact for Qatar and Oman
- » MENA oil importers suffer less from the pandemic than GCC countries do

Questions?

Please email help@economy.com

Contact Us: Economics & Business Analytics Offices

West Chester. EBA-HQ

+1.610.235.5299

121 North Walnut Street. Suite 500
West Chester PA 19380
USA

New York. Corporate-HQ

+1.212.553.1653

7 World Trade Center. 14th Floor
250 Greenwich Street
New York. NY 10007
USA

London

+44.20.7772.5454

One Canada Square
Canary Wharf
London E14 5FA
United Kingdom

Toronto

416.681.2133

200 Wellington Street West. 15th Floor
Toronto ON M5V 3C7
Canada

Prague

+420.22.422.2929

Washingtonova 17
110 00 Prague 1
Czech Republic

Sydney

+61.2.9270.8111

Level 10
1 O'Connell Street
Sydney. NSW. 2000
Australia

Singapore

+65.6511.4400

6 Shenton Way
#14-08 OUE Downtown 2
Singapore 068809

Shanghai

+86.21.6101.0172

Unit 2306. Citigroup Tower
33 Huayuanshiqiao Road
Pudong New Area. 200120
China

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