

Middle East Outlook – A Rosy Future for Oil Exporters

Dr. Martin Janicko, Assistant Director - Economist
Dr. Guillaume A. Khayat, Economist
Gega Todua, Economist

Presenters



Dr. Martin Janicko

Dr. Janicko is an assistant director with the Moody's Analytics Prague team. His responsibilities include macroeconomic research, modelling and forecasting as well as development, maintenance and implementation of large-scale credit risk models. He is also a regular contributor to Economy.com and is often quoted by Czech and international news media.



Dr. Guillaume A. Khayat

Guillaume is the key analyst for Jordan responsible for macroeconomic baseline and scenario forecasting, and narrative development. His responsibilities include providing commentary and research on economies in the Middle East and North Africa, with a special focus on Middle East.



Gega Todua

Gega Todua is an Economist in Prague office. Gega contributes to projects focused on IFRS 9 and stress testing. He is also responsible for macroeconomic baseline and scenario forecasting. Prior to joining Moody's Gega was a junior researcher at the Center of Economic Research and Graduate Education (CERGE-EI) in Prague and a lecturer at the Institute of Economic Studies, Prague.

Agenda

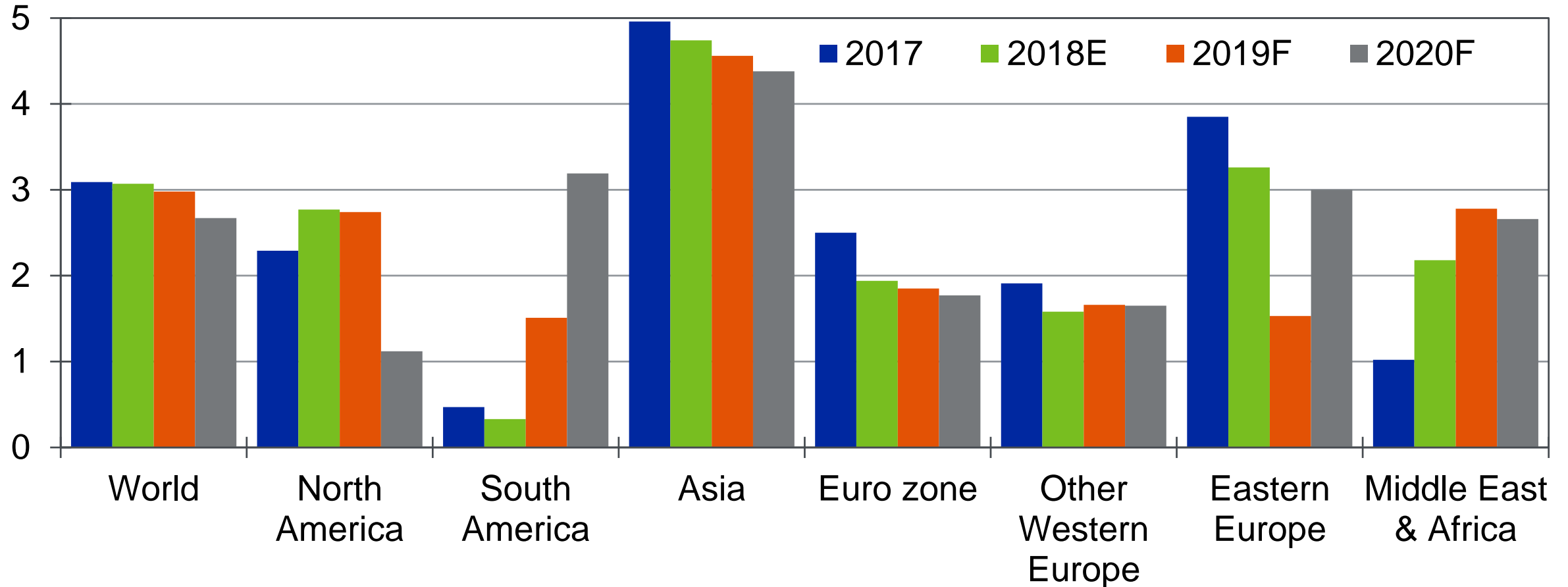
1. Global & Middle-East Outlook
2. Saudi Outlook
3. Emirati Outlook & Sectoral Analysis of the UAE Economy

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Global & Middle-East Outlook

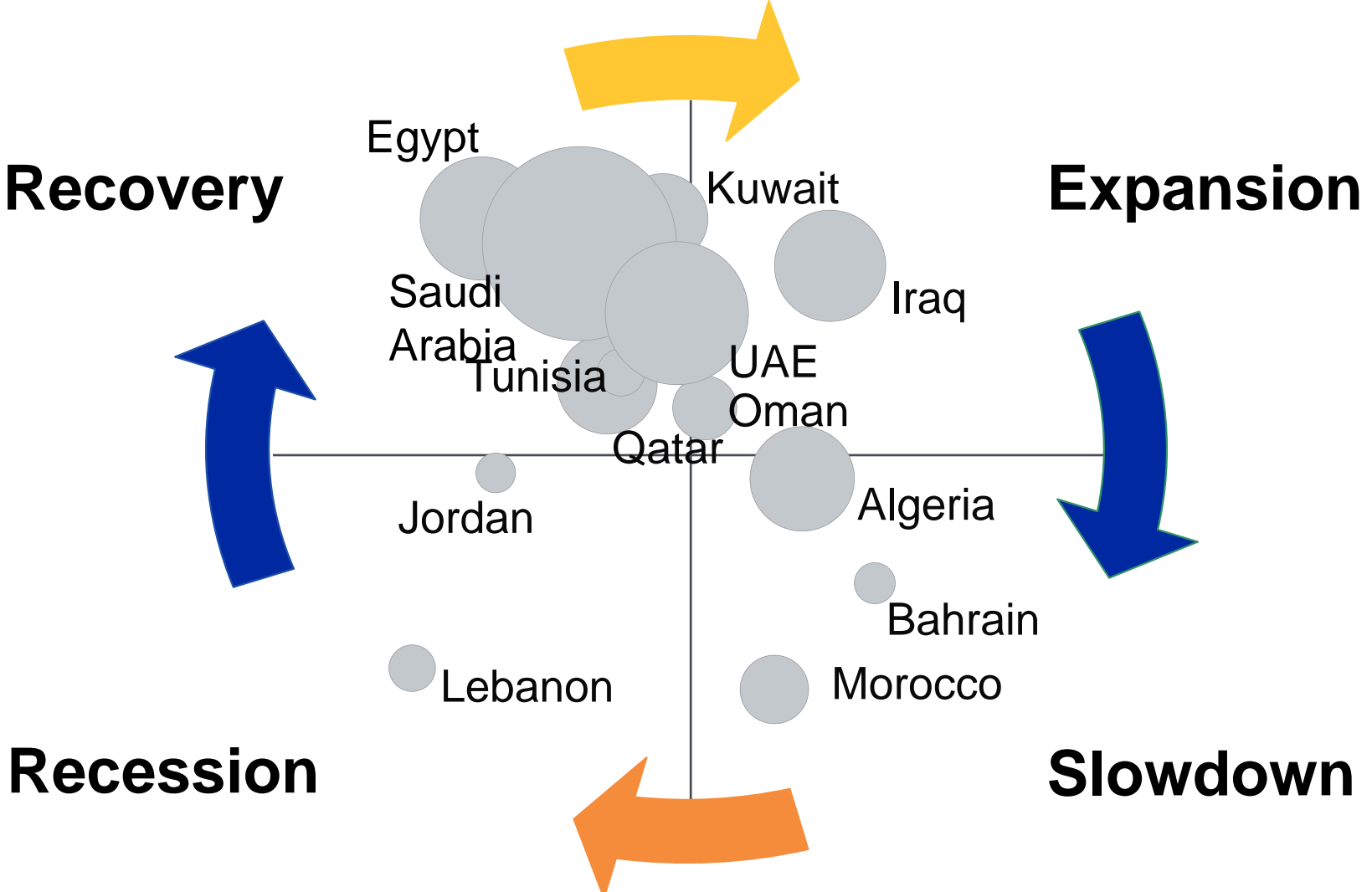
Cooling Conditions in Most Regions

Real GDP growth, %

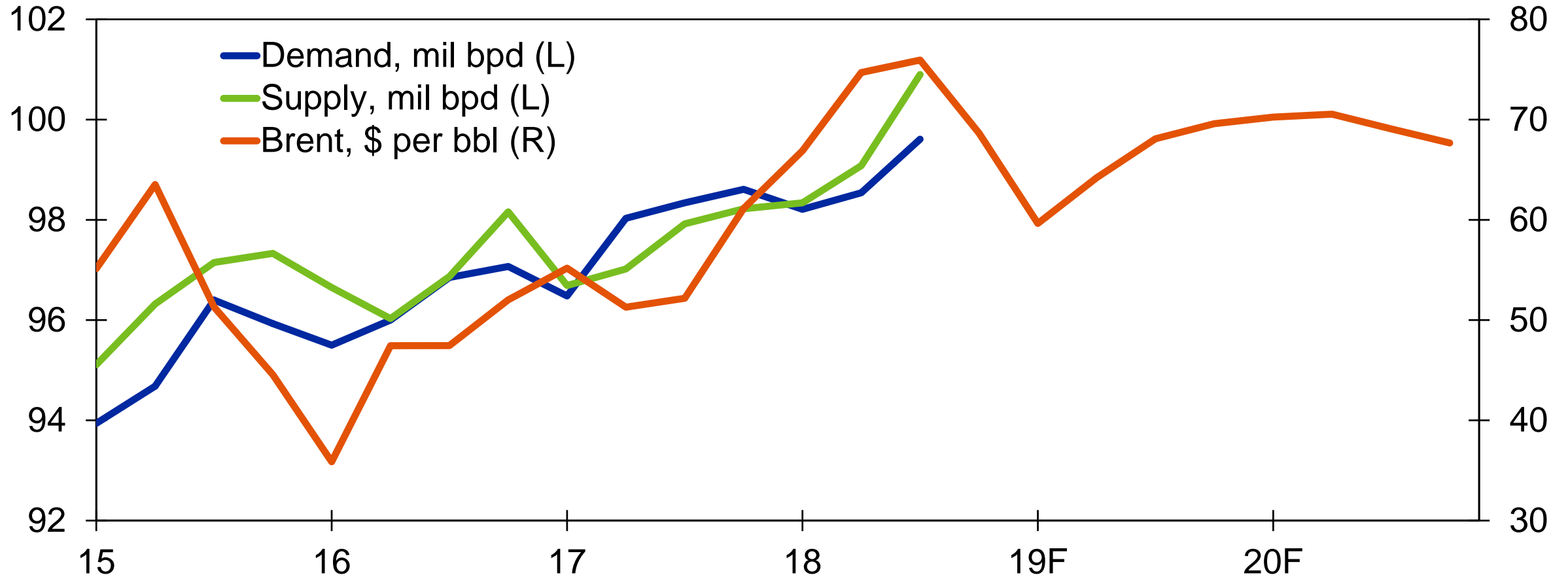


Source: Moody's Analytics

A Rosy Future for Oil Exporters



Oil Prices Are Expected to Stabilize

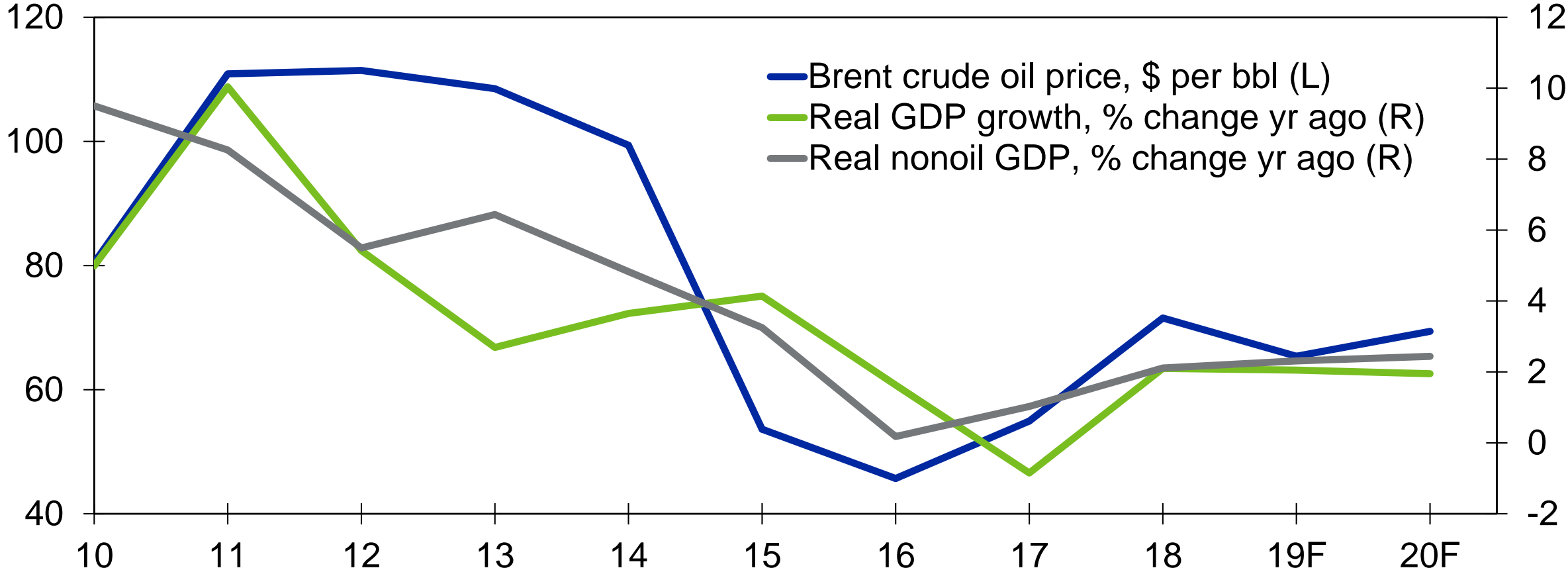


Sources: IEA, Moody's Analytics

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Saudi Outlook

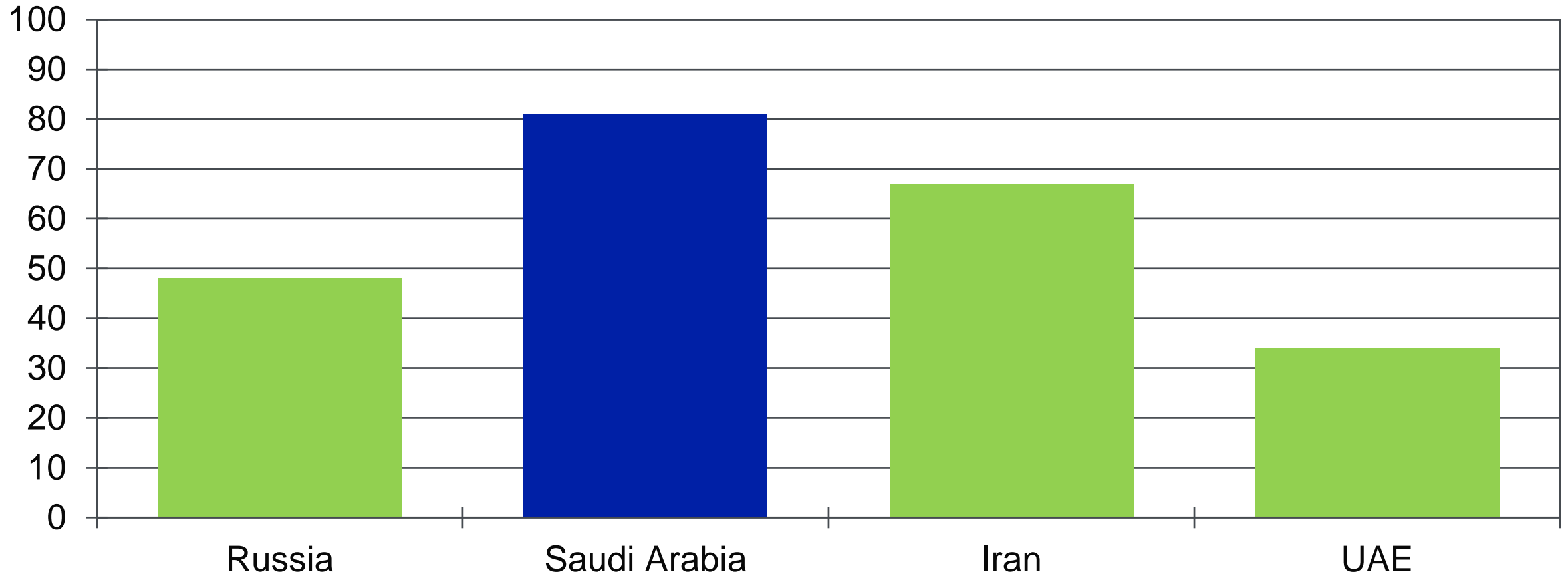
Oil Prices Still Drive Oil and Nonoil GDP



Sources: World Bank, Saudi General Authority for Statistics, SAMA, Moody's Analytics

Saudi Oil Mostly Goes Elsewhere

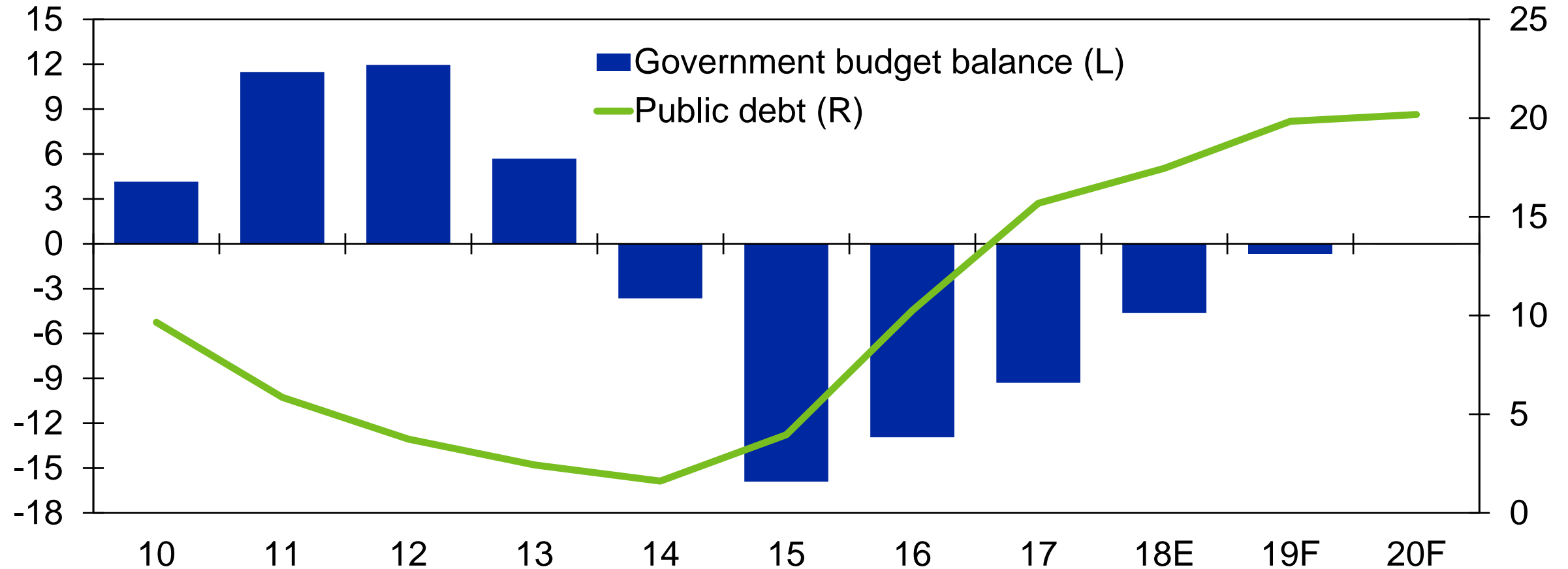
Fuel exports as % of total merchandise exports, 2017



Sources: World Bank, IEA, Moody's Analytics

Public Finances Look Better

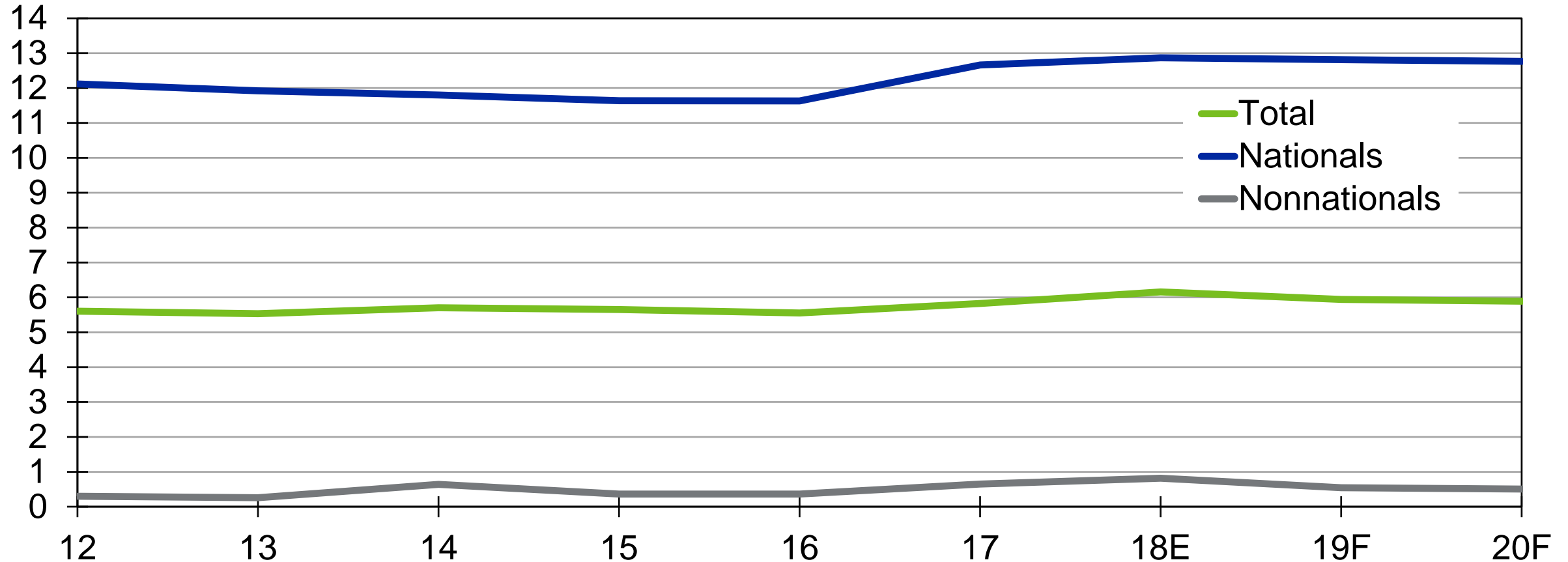
% of GDP



Sources: World Bank, Moody's Analytics

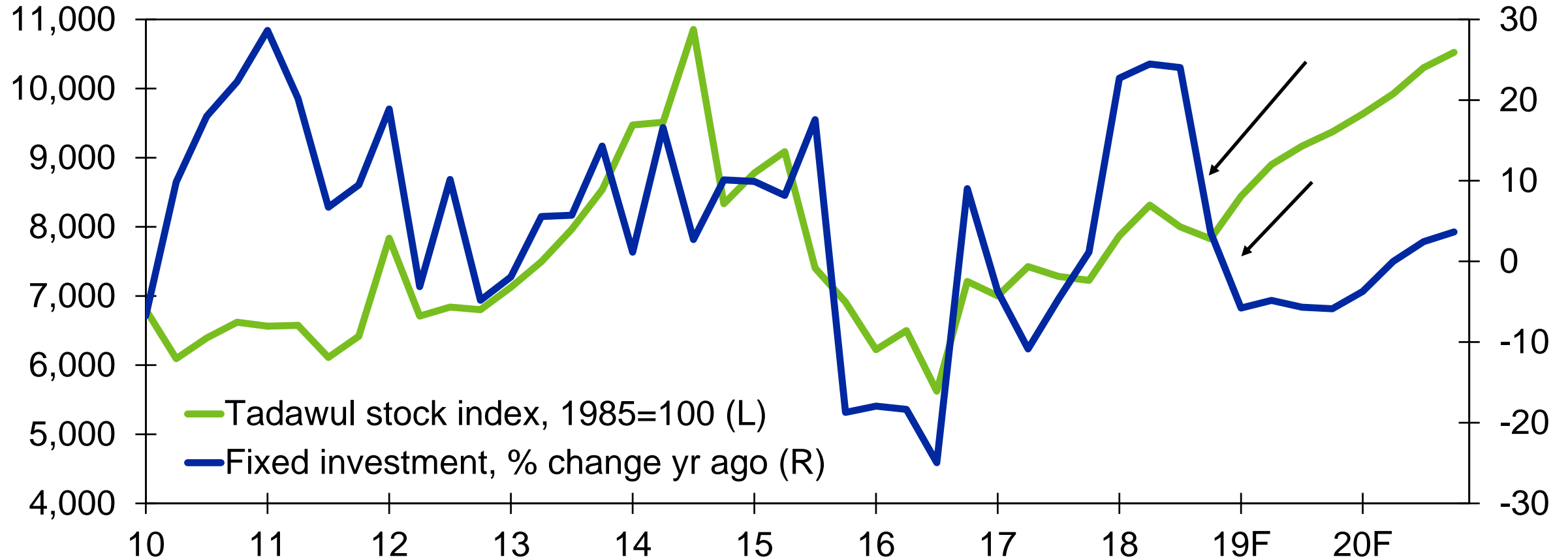
Saudi Nationals Still Heavily Unemployed

Unemployment rate, % of labour force



Sources: Saudi General Authority for Statistics, World Bank, Moody's Analytics

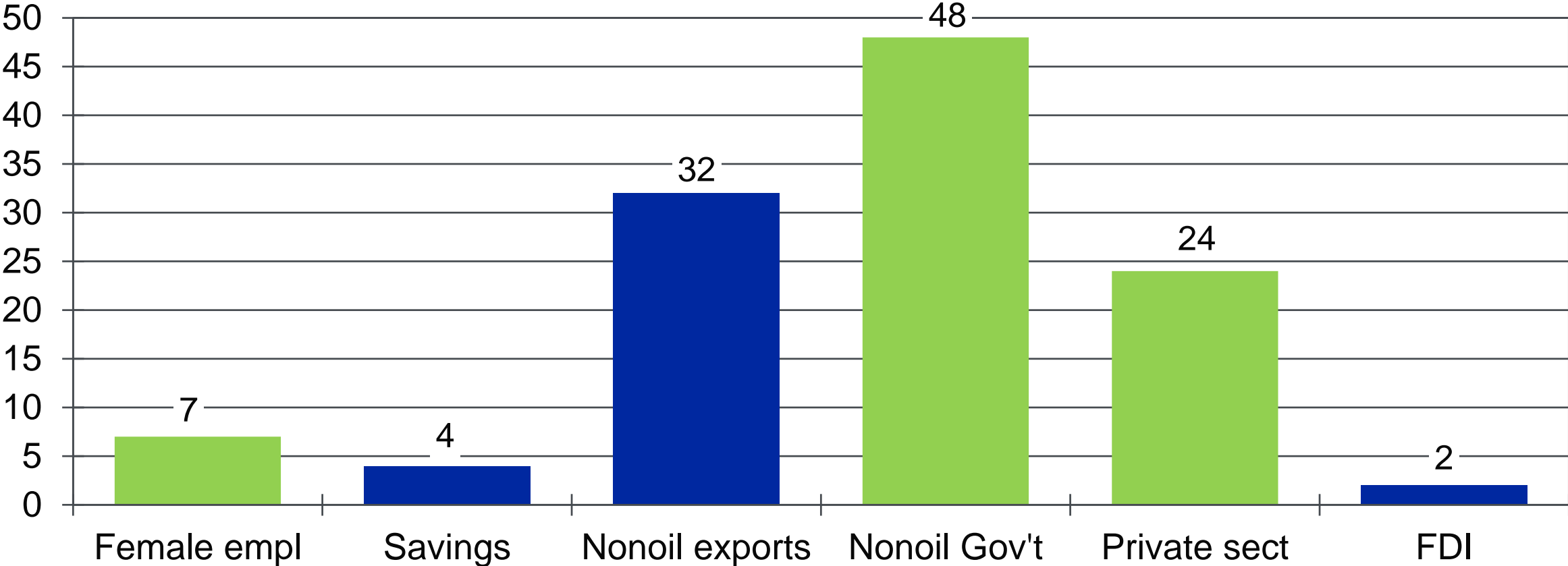
Investors Sensitive to Politics: Affaire “Khashoggi”



Sources: World Bank, SAMA, Moody's Analytics

Objectives of Vision 2030: Current Status

Pps change vis-à-vis 2018 numbers



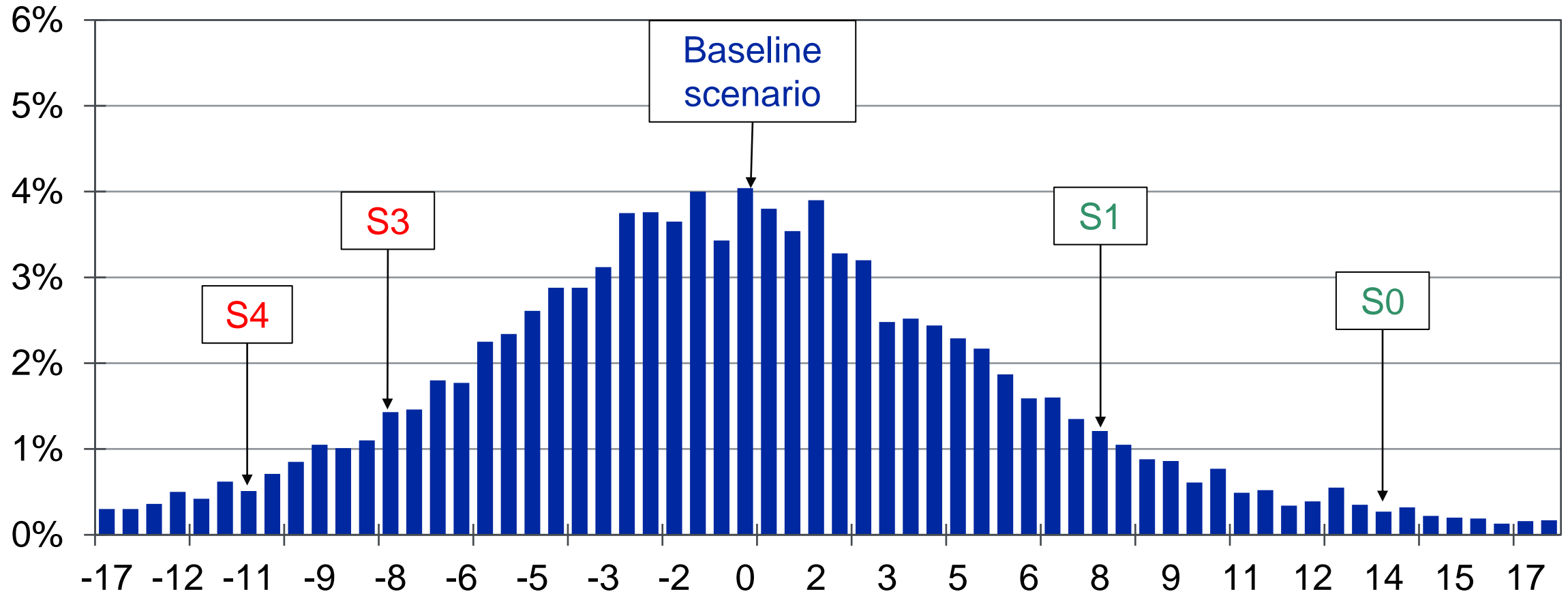
Sources: Saudi General Authority for Statistics, Moody's Analytics

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Emirati Outlook & UAE's Sectoral Analysis

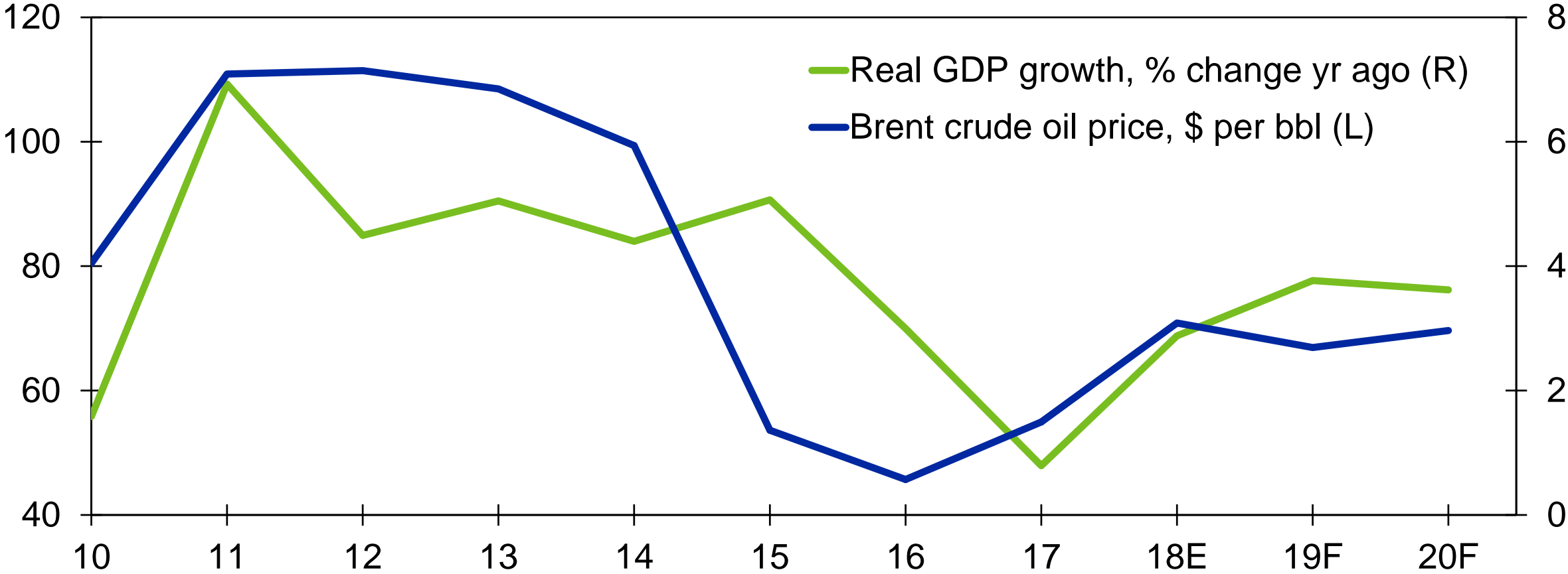
MA Global Scenario Model: UAE

Avg deviations from baseline, %



Source: Moody's Analytics

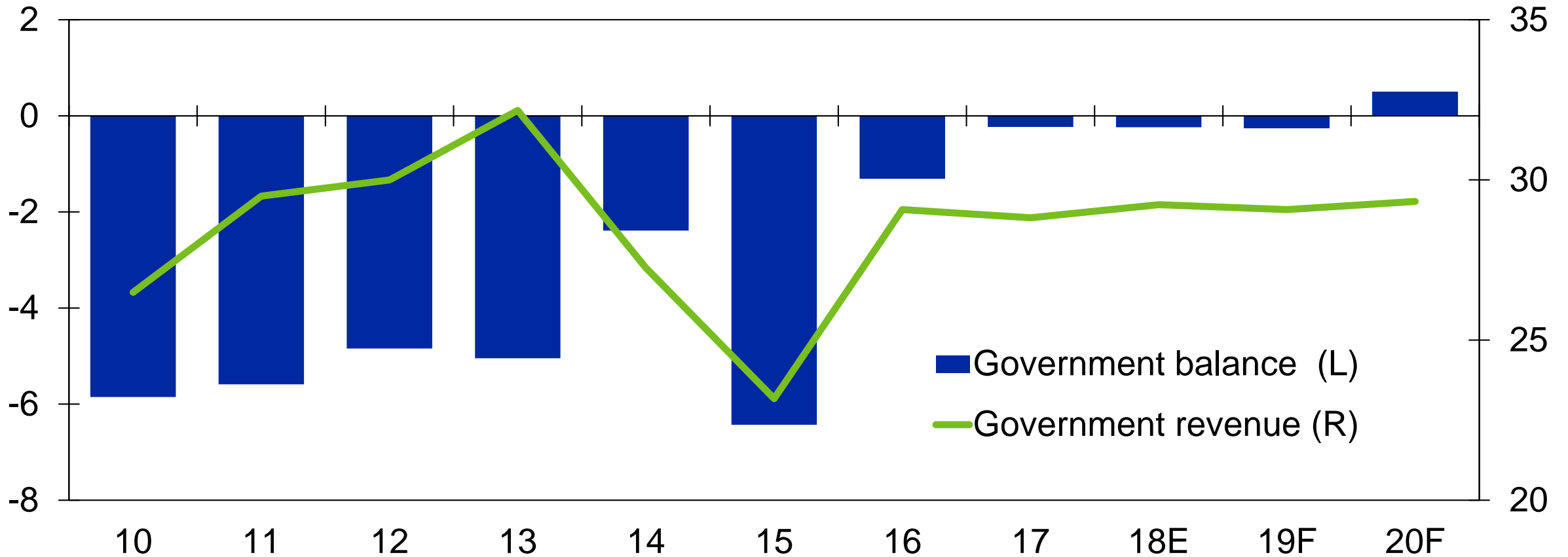
Oil Still Drives the UAE Economy



Sources: Central banks, UAE National Bureau of Statistics, Moody's Analytics

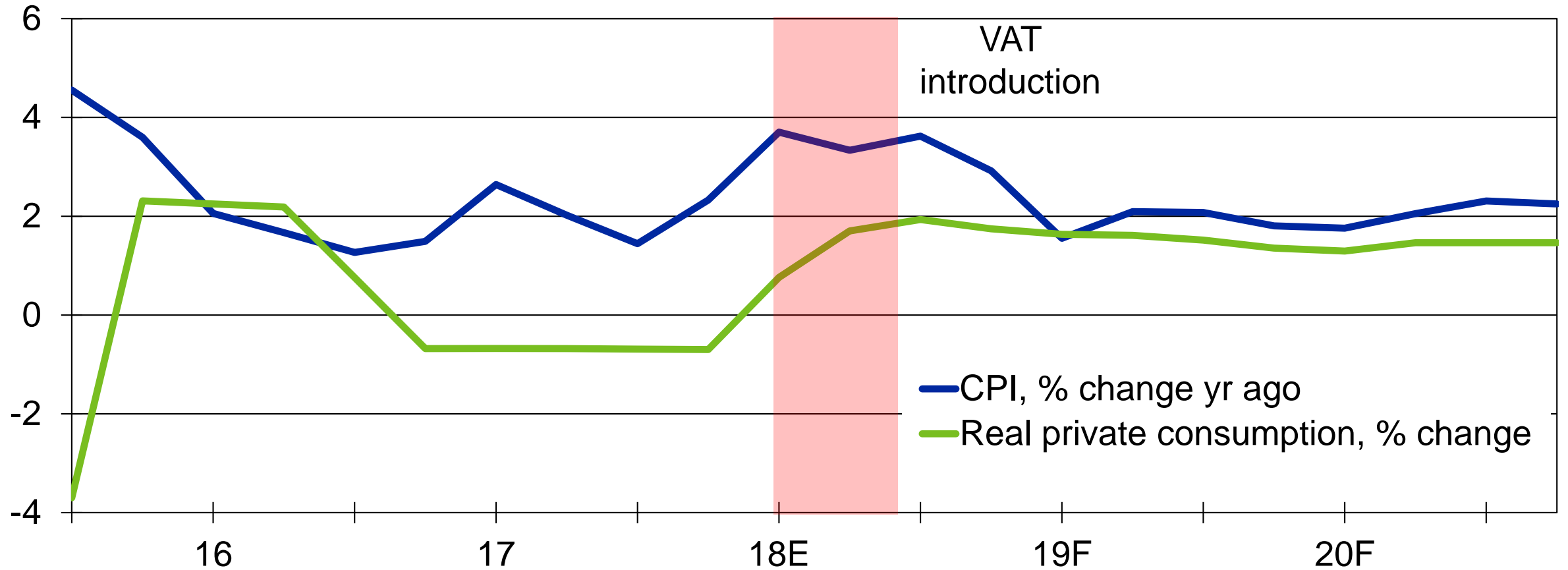
Fiscal Balance Is Looking Better

% of GDP



Sources: UAE National Bureau of Statistics, Moody's Analytics

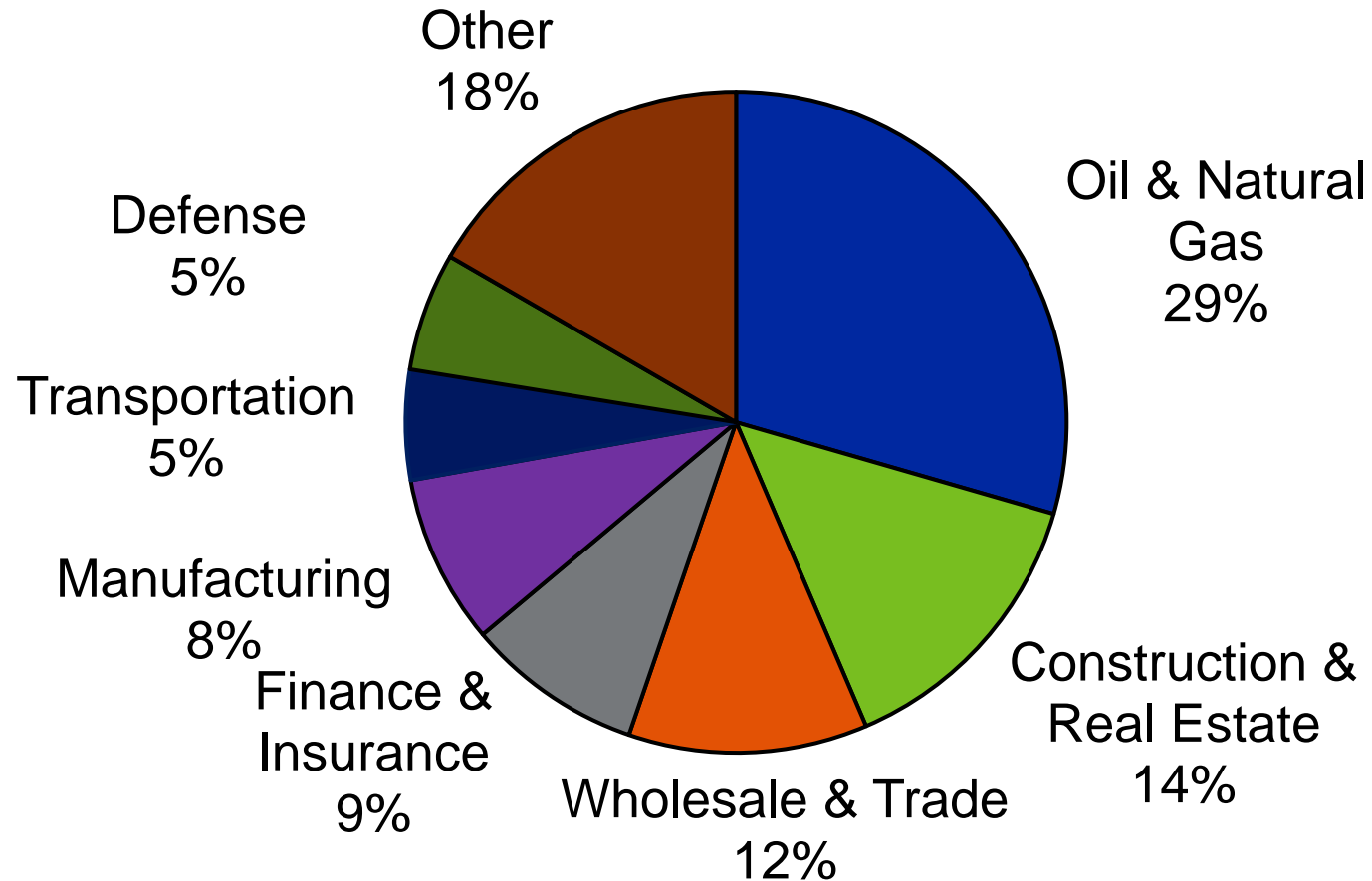
Temporary Bump From VAT



Sources: UAE National Bureau of Statistics, Moody's Analytics

Still Dependent on Oil

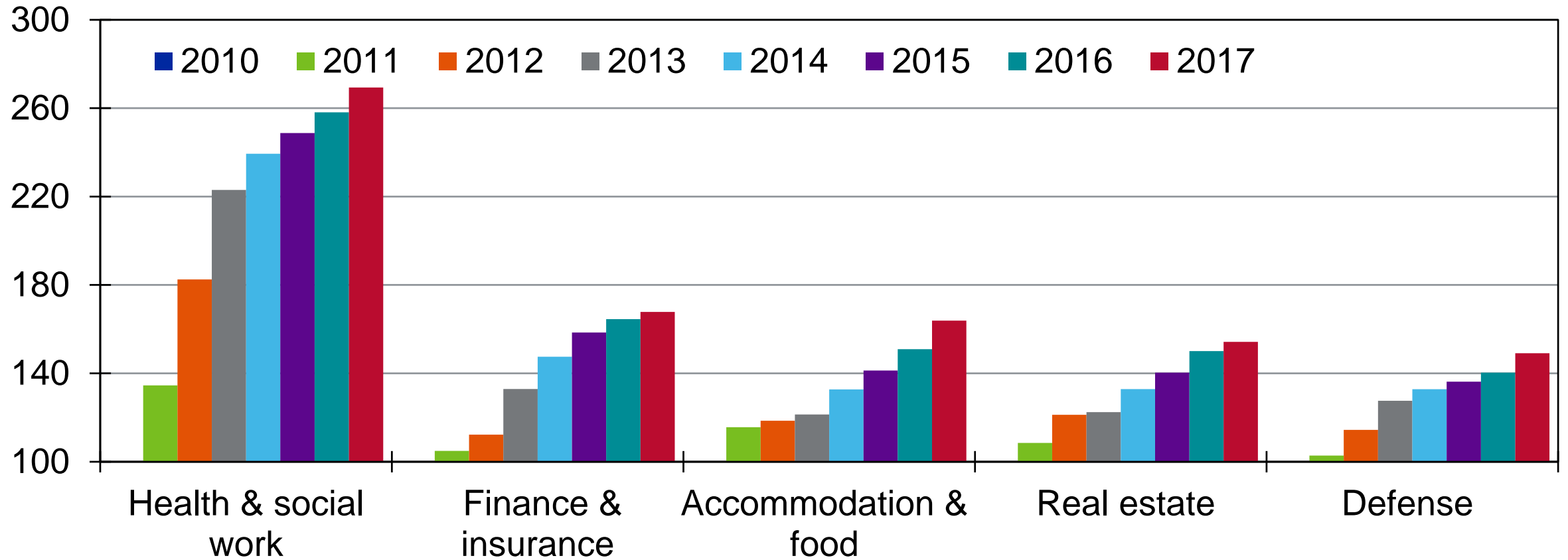
Structure of the UAE real GDP by economic activity, 2017, %



Sources: Economena, Moody's Analytics

Healthcare Is Full Speed Ahead

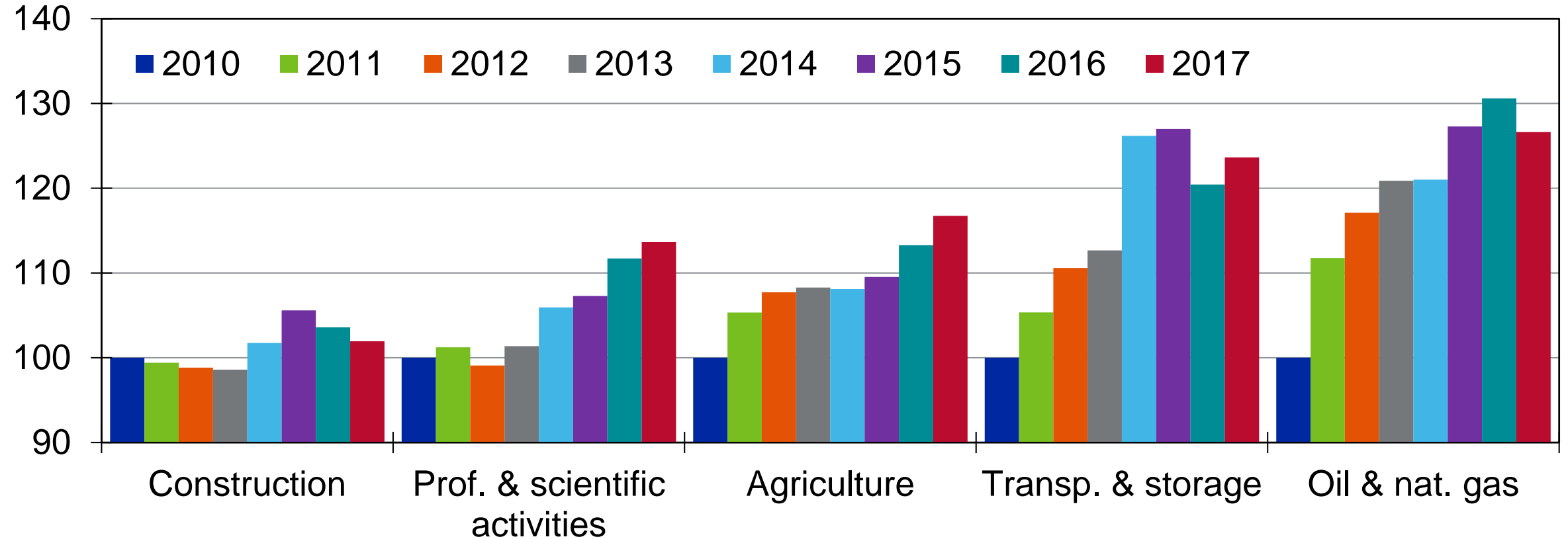
Real GDP of selected industries, 2010=100



Sources: Economena, Moody's Analytics

Construction Struggles to Keep Pace

Real GDP of selected industries, 2010=100



Sources: Economena, Moody's Analytics

Summary

- » Oil exporters near future prospects uplift the Middle East and North African's outlook.
- » The Saudi economy is on the right track and Vision 2030 is on the way, but speed bumps are likely
- » UAE economic initiatives to encourage nonoil activity are supporting growth, but the gains are uneven across industries

Q&A

Questions?

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United States
121 North Walnut Street
Suite 500
West Chester PA 19380
+1.610.235.5299
help@economy.com

United Kingdom
One Canada Square
Canary Wharf
London E14 5FA
+44.20.7772.5454
help@economy.com

Australia
Level 10
1 O'Connell Street
Sydney, NSW, 2000
Australia, +61.2.9270.8111
help@economy.com

Prague
Washingtonova 17
110 00 Prague 1
Czech Republic
+420.22.422.2929
help@economy.com