

## 'Qatar, Kuwait expected to witness surge in bilateral relations'

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DOHA

DOHA Bank hosted a virtual customer connect meeting on February 23, 2022, on "Bilateral and Synergistic Opportunities between Qatar and Kuwait".

Dr R Seetharaman, CEO of Doha Bank, gave insight on Global economies. He said, "According to IMF, global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Growth of advanced economies is expected to moderate from 5% in 2021 to 3.9% in 2022. Growth of emerging economies is expected to moderate from 6.5% in 2021 to 4.8% in 2022. US Fed is expected to begin monetary tightening in March 2022."

Dr Seetharaman gave insight on Kuwait and Qatar economies. "Kuwait economy

is expected to grow by 4.3% this year. In 2022, the Central Bank of Kuwait opened applications for new digital banks in the region. Qatar- Kuwait trade exceeded QR7 billion in 2021. LNG deals have happened between Qatar and Kuwait in recent years. Qatar economy is expected to grow by 4 percent in 2022. Qatar Budget 2022 is based at an average oil price of \$55 per barrel. Health, education, and infrastructure have been given thrust in Qatar budget 2022. Qatar plans to boost LNG production to 126 million tonnes a year (MTPA) by 2027."

Abdulaziz Yaqoub Al-Babtain, Ooredoo Kuwait Chief Executive Officer, spoke about the role of telecom in Kuwait during the pandemic.

"Ooredoo Kuwait was acquired by Ooredoo Group, formerly known as QTEL, dur-

ing the global financial crisis. This is one of the company's most significant investments during that time which greatly contributed to Kuwait's economy," he said.

"Ooredoo is one of the largest leading Qatari communications companies in the State of Kuwait delivering mobile, fixed, broadband internet and corporate managed services. That being said, investments between Kuwait and Qatar are a great opportunity to turn both nations into investment hubs. We are hoping that this will materialize during 2022 as we are working towards hybrid investment models between Kuwait and Qatar. Furthermore, Central Bank of Kuwait has opened digital banking opportunities, which are very interested in. We are currently having discussions with local and Qatari



Dr R Seetharaman, CEO of Doha Bank, addresses the webinar with other dignitaries.

banks, in addition to Fintech. Ooredoo Kuwait's 5G rollout increased further during 2021. During the pandemic, we introduced new innovative digital solutions to our customers, we supported the government and community during the crisis, partnering with well-established companies, and

more."

Junaid Ansari, Head of Investment Strategy and Research at Kamco Invest spoke on GCC equity market performance and the oil market.

He said: "Despite the record performance of GCC markets last year, we don't expect a correction this year. How-

ever, gains are not expected to be as high as what we saw last year. 2022 is expected to see higher dividend announcements for FY-2021. Investors need to time their entry and exit according to the dividend timelines. Given the current situation between Russia and the US, oil prices are expected to remain elevated in the near term. However, later this year or next year, with the likelihood of Iran coming back and OPEC+ adding additional production coupled with higher production in the US, we can see oil prices ease to around USD 75-80 per barrel."

R Raghu CEO, Marmore MENA intelligence, the research arm of Kuwait financial centre Markaz, gave an overview of Kuwait economy and banking sector and the impact of rising interest rates on banks, corporates and capital

markets.

"The credit growth rebounded in Kuwait in 2021 driven mainly by the retail segment. The Return of Equity (ROE) of Kuwaiti Banks that hit a low of 5% in Q4 2020 has been recovering. Net Interest Margin (NIM) of Kuwait Banks fell due to prevailing low interest rate environment and NPLs still remain well below 2% of the net total loans. The earnings of Kuwaiti Banks yet to reach pre-pandemic levels. Kuwait is moving towards cashless payments and hence digitization is a key strategic objective for Kuwaiti banks. Most of the leading banks in Kuwait are involved in various digitization initiatives. Kuwaiti Banks are expected to have a positive impact from the rate hike while non-banks profitability might be affected due to rate hikes."