

High oil prices and vaccination drive contribute to GCC's economic revival

THE PENINSULA — DOHA

Doha Bank hosted a virtual client conference '2022 - The Year ahead of US' where leading economists and regional experts discussed what the new year might have in store for us. Gudni Stiholt, Chief Treasury and Investments Officer, Doha Bank gave the introduction for the event.

Dr. R. Seetharaman, CEO of Doha Bank, gave insight on Global scenario. He said: "According to IMF Jan 2022, Global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Advanced economies growth is expected to moderate from 5% in 2021 to 3.9% in 2022. Emerging economies growth is expected to moderate from 6.5% in 2021 to 4.8% in 2022.

"The emergence of new COVID-19

variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localised wage pressures mean uncertainty around inflation and policy paths is high. US fed expected to begin monetary tightening in March 2022. Bank of England already commenced its Monetary Tightening."

Fahd Iqbal, Head of Middle East Research, Credit Suisse AG, gave insights on GCC Economies. He said that growth forecasts have taken off due to effective vaccination drive and high oil prices. "The fiscal balances also expected to improve. The GCC Monetary environment remains loose with lending activity health and improving. The real interest rates continue to contract. The inflation in GCC



Participants during the virtual client conference.

is picking up and dependence of food imports is a risk."

Iqbal said that the GCC has continued to strongly outperform EM. "The valuations are no longer cheap. Foreign inflows are robust but mostly passive. In Qatar, Long term capex is the key, carbon prices important for

equities. In Saudi Arabia: Shareek program bodes positively, significant growth potential in capex spends. In UAE, Dubai is cementing its position as a regional hub, enjoying a strong post-COVID recovery and Abu Dhabi is ramping up oil production capacity," he added.