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Qatar economic recovery to gain traction in 2021, says Seetharaman

Qatar is expected to gain economic traction next year, supported by robust economic reforms, reflecting the improved optimism in the local bourse, according to Doha Bank chief executive Dr R Seetharaman.

"Qatar and other regional economies had witnessed economic reforms to recover from the Covid-19 as oil fell this year," he said, projecting 2.5% growth for the Qatari economy in 2021 compared to 4.5% expected contraction this year.

He was speaking at a webinar "2021 Economic Outlook", hosted by Doha Bank.

The Qatar Central Bank has introduced with various procedures to combat the risk of coronavirus pandemic, he said, adding this includes the guarantees for local banks and national guarantee programme to support the private sector.

Highlighting that in May 2020, the public private partnership (PPP) law was introduced;

he said the private sector is expected to leverage this new law. In October 2020, Qatar allowed foreigners to own property.

Qatar's stock market has surged by close to 2% year-to-date and has crossed 10,000 levels.

Global growth is projected at 5.2% in 2021. The advanced economies' growth is projected to strengthen to 3.9%, while emerging and developing economies are expected to recover by 6% in 2021, Seetharaman said, quoting the projections of the International Monetary Fund.

"The global markets have surged in recent times after fall in April 2020 due to hopes of vaccine, cheering Joe Biden's winning in the US election," he said.

The prospects for China are much stronger than for most other countries in this group, he said, adding oil extended gains toward \$50 a barrel after the Opec+ members reached

a compromise deal to gradually taper production cuts this month.

Fahd Iqbal, head of ME research, Credit Suisse, gave insight on the fastest correction and the quickest equity rally this year, highlighting that households are savings more due to the Covid-19.

Finding that the market rebalancing continues in the oil market; he said demand for gas has been improving, hence expecting to be bullish on natural gas prices.

Brahim Razgallah, head of EEMA economics, Barclays Bank, said there is a paradigm shift on Gulf's oil policy and the oil market balance. Seetharaman said 2020 has been a historic year for gold and silver as unprecedented stimulus measures around the world were unleashed on financial markets.

The dollar index is at 90 levels and is expected to fall further as fed continues its monetary easing, he said.



Dr Seetharaman along with other panellists at the webinar hosted by Doha Bank.