

# Doha Bank knowledge sharing session focuses on global economy

**D**oha Bank hosted a knowledge sharing session providing a '20:20 vision for 2020' at W Hotel yesterday.

The presenter at the session was Michael Cahill, senior strategist, Goldman Sachs. The event was well attended by leading corporates in Qatar.

Dr R Seetharaman, Doha Bank CEO set the tone for the event by giving insight on global economy.

He said, "According to IMF October 2019 report, global growth is forecast at 3% in 2019, picking up to 3.4% in 2020. For advanced economies, growth is projected at 1.7% in 2019 and 1.7% in 2020. The emerging market and developing economy group is expected to grow at 3.9% in 2019, rising to 4.6% in 2020."

On Qatar economy, he said, "According to IMF October 2019 report, Qatar economy is expected to grow by 2% in 2019 and 2.8% in 2020 with a current account balance of 6% in 2019 and 4.1% in 2020. "In 2019, Qatar has achieved a successful return to the international financial markets with a total of three tranches worth a total of \$12bn. Qatar expects capacity to rise to 126mn tonnes per year by 2027 as it starts engineering work on two "mega trains".

"Qatar's banking sector remains sound. Foreign liabilities withdrawn in the immediate aftermath of the diplomatic rift have been partially replaced with greater attention being paid to the diversity of funding sources and deposit maturity structure. "The Qatar Investment law of 2019 opens the way for foreign investors to own 100% ownership in all sectors, as well as support for investors' entry into the Qatari market. The law offers many investment incentives including allocation of land to non-Qatari investors to establish investment through the use or rent in accordance with the applicable rules and regulations.

"In March 2019, the Cabinet approved a draft resolution of the Council of Ministers determining the areas and places in which non-Qataris are



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allowed to own and use real estate. In April 2019, the Cabinet approved draft law on public-private sector partnership. Qatar's Baladna IPO got oversubscribed. "In his concluding remarks, Seetharaman said, "Cautious optimism is expected to prevail in 2020."

Cahill gave insight on global growth in 2020. The easing financial conditions, diminishing trade uncertainty, inventory correction in manufacturing sector and country specific developments such as in UK or Russia are the key factors to improve growth in 2020, he noted.

However, he said, "political uncertainty still prevails in 2020. Easing financial conditions help US economy better than other developed economies. Chinese economy is bouncing back but not yet seen the acceleration. Political uncertainty can impact trade and investment. Chinese stimulus is lot more restrained.

"In US the housing sector is more sensitive to interest rates. Strong labour market is required for US economic growth. UK can benefit from reduction in uncertainty of Brexit risks.

"A better growth in 2020 from US economy can contribute to strong dollar. On the commodities segment, too much of investment will come off as part of the deleveraging cycle. Fed rate hike may be possible only if the inflation starts increasing."