

Lower oil prices tightening liquidity: R Seetharaman

The Peninsula

DOHA: Doha Bank hosted a knowledge sharing session on "Changing dynamics and market opportunities" at Jumeirah at Etihad towers, Abu Dhabi on May 11.

Speaking during the session, Dr R Seetharaman, CEO of Doha Bank, gave an insight into global economy and the regional economies. "According to IMF April 2016 outlook, the UAE economy expected to grow by 2.4 percent this year. Abu Dhabi is projected to grow at 1.7 percent in 2016. In real terms, non-oil activities accounted for 50.2 percent of the GDP at constant prices in 2014. As part of Abu Dhabi's Economic Vision 2030, the contribution of the non-oil sector is aimed to be 64 percent of GDP. Domestic and government credit demand has risen, up 8.1 percent y-o-y in February 2016, while demand from government-related enterprises climbed by 5.5 percent," said Seetharaman.

"Lower oil revenues are driving tightening of liquidity. Government deposits were down 13.9 percent

year-on-year in February 2016. Combined government and public sector deposits, meanwhile, had fallen by 5 percent year-on-year in February 2016. The trade balance between Qatar and Abu Dhabi had reached \$6-7bn. Recently Abu Dhabi has issued benchmark dual-tranche 5 and 10 years bonds worth \$5bn. The low oil prices have emphasized on fiscal discipline and liquidity management," he added.

Talal Touqan, Head of Research & Advisory at Al Ramz Capital spoke on "Oil paradigm leads to different investment themes". He gave insight on oil price trends in 2014 and 2016 and its impact on various stocks. He highlighted the factors which are responsible for oil prices to drive equity markets. Economic growth, Oil exporting countries tapping SWFs, Oil and gas companies' retrenchment and lending to oil and Gas companies are some of the factors impacting equity markets. He also highlighted the impact on Regional and UAE Banking due to low oil prices.

Padmanabh Acharya, Partner at Deloitte gave insight on Market overview and key Business



Dr R Seetharaman, CEO of Doha Bank, speaking during the knowledge sharing session held at Abu Dhabi.

issues. He said "The focus for many companies is survival. We expect pragmatism to win over optimism. The companies will do what needs to be done to survive in a lower price environment. Most have at least one of three critical attributes: flexibility, near-term liquidity or continued access to capital markets. Slowing Chinese economy, Sluggish

growth in the Eurozone economies and Lower oil revenues are likely to drive lower bank deposit levels and greater withdrawals to support potential".

Huda Al Matroushi, Executive Board Member of Abu Dhabi Business Women Council (ADBWC) spoke on "Changing Dynamics and Market Opportunities" from the perspective

of Business Women. She spoke on the vision of the UAE towards women empowerment and UAE leadership in developing Women entrepreneurs. Equal opportunities are being created for women in what is traditionally believed as Man's world in various business segments. She also highlighted the services, projects and initiatives of ADBWC.