

Bahrain to grow 2.6pc in 2021: Reuters poll

● **Bahrain's forecast unchanged**

● **Most countries are facing sharper declines than previously estimated**

● **Saudi will rebound to 3.1pc in 2021**

● **UAE to expand 3.8pc in 2021**

● **Dubai to contract more than Abu Dhabi**

● **Kuwait to see 2.6pc growth in 2021**

● **Qatar to contract 4.0pc this year**

● **Oman to grow 2.5pc next year**

“The region is now facing tough policy choices. Fiscal support is still needed to fight persistent and rising infections, already showing up in Europe and the US. But from a medium-term perspective, governments should aim to achieve fiscal and external sector sustainability in the likely scenario of low oil prices.”

ANALYSTS AT NBK

TDI | agencies

Bahrain's economy, Reuters' analysts predict, will grow 2.6 per cent next year, and thereafter will produce a 2.1pc growth.

The quarterly forecast, which keeps Bahrain's growth un-

changed, also maintained the view that the region is hit-hard by the coronavirus crisis because of its effect on oil demand and prices.

The report, which expects Bahrain to shrink by 4.8 pc this year, said the six-member Gulf Cooperation Council faces a steep economic contraction this year before partially rebounding in 2021.

Reuters analysts said most countries are facing sharper declines than previously estimated.

Reuters Analysts in July said Bahrain would contract 4.4pc.

New lockdown measures as infections continue to soar in the United States, Europe and elsewhere, could exacerbate already depressed economic activity, the report added.

Saudi to rebound in 2021

Saudi Arabia, the region's largest economy, is expected to face a GDP contraction of 5.1pc this year and rebound to 3.1pc growth next year and 2.7pc growth in 2022. A poll conducted three months ago saw the world's largest oil exporter contracting 5.2pc in 2020.

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The six-member Gulf Cooperation Council faces a steep economic contraction this year before partially rebounding in 2021.



ready showing up in Europe and the US,” noted analysts at NBK. “But from a medium-term perspective, governments should aim to achieve fiscal and external sector sustainability in the likely scenario of low oil prices.”

UAE to expand 3.8pc in 2022

The United Arab Emirates, which has seen a surge in new COVID-19 cases in the past month or so, is expected to see GDP decline 6.0pc this year, grow 2.7pc

next year and expand 3.8pc in 2022. In July, analysts expected a 5.1pc decline in 2020 and 2.6pc growth in 2021.

“The UAE economy will suffer a deeper contraction this year than we anticipated in May,” the Institute of International Finance said in a research note.

“Dubai's economy may contract by at least 8pc, more than Abu Dhabi, as its large exposure to tourism, aviation, and other services makes it more vulner-

able to the effects of the pandemic,” the IIF said, adding that output declined 9pc in the first half of the year and employment dropped by 10pc.

Median forecasts for Kuwait expected a 6.3pc contraction this year, 2.6pc growth next year and 3.3pc growth in 2022. Three months ago it was seen shrinking 6.1pc in 2020 and expanding 2.5pc in 2021.

Qatar to contract 4.0pc

Qatar's forecast for this year was unchanged at a 4.0pc contraction, while expectations for growth next year improved to 3.0pc from 2.8pc and it was seen expanding 3.4pc in 2022.

Oman, the report said, would shrink 4.9pc this year respectively from the contraction of 4.7pc in July. Oman is expected to grow 2.5pc next year, versus a July estimate of 3.0pc, and 2.7pc in 2022.

“Things are looking less favourable, particularly for leisure and tourism,” Maya Senussi, senior economist at Oxford Economics, said on Oman.

“Non-residents are still barred from visiting as we head into the peak season,” she said, adding analysts generally have a clearer view of how the dual shock has influenced activity.



Batelco extends fixed internet speed boost

TDI | Manama

Batelco announced the extension of its Speed Boost initiative till end February 2021 for all fibre customers, at no additional cost.

In July, Batelco boosted its fibre speeds from 2 times up to 5 times its customers' current Internet speed, until the end of October.

Commenting, Batelco GM Consumer Division Maitham Abdulla said, “Due to positive response we have received on the fibre Speed Boost initiative



“Bahrain's National Broadband Network, BNET, supported us in enabling this service, as ‘BNET’ is providing broadband network services to all licensed telecom operators including Batelco and we appreciate their efforts”

MAITHAM ABDULLA

from our customers, we have decided to extend the period further, till the end of February 2021.”

“Bahrain's National Broadband Network, BNET, supported us in enabling this service, as ‘BNET’ is providing broadband network services to all licensed telecom operators including Batelco and we appreciate their efforts,” he said.

Batelco will upgrade internet packages automatically. The 10Mbps package will rise to 20Mbps, 20Mbps to 40Mbps, 30Mbps to 100Mbps

Oil rises towards \$41



Representative picture (Courtesy of Fast Company)

Reuters | London

Oil rose yesterday towards \$41 a barrel as oil companies shut down some US Gulf of Mexico oil output due to a hurricane, although surging coronavirus infections and rising Libyan supply limited gains.

Companies including BP, Chevron and Equinor ASA evacuated rigs, and so far producers have shut 16 per cent, or 293,656 barrels per day (bpd) of oil output due to Hurricane Zeta.

Brent crude was up 20 cents, or 0.5 per cent, at \$40.66 per barrel by 1344 GMT. US oil gained 18 cents, or 0.5pc, to \$38.74. Both contracts fell more than 3pc on Monday.

“Whilst Hurricane Zeta could provide a price relief under the current circumstances, it will be very brief,” said Tamas Varga of oil broker PVM. “The mood is, indeed, souring.”

Oil has declined because of rising coronavirus infections

globally and a lack of progress on agreeing a US coronavirus relief package. Still, US House of Representatives Speaker Nancy Pelosi is hopeful a deal can be reached before the Nov. 3 election.

“The rising number of infections, lockdowns and travel restrictions is a serious threat,” said Paola Rodriguez-Masiu of Rystad Energy. “The situation at the moment looks more pessimistic than not.”

Libyan production is expected to reach 1 million bpd in coming weeks, the country's national oil company said on Friday, complicating efforts by other OPEC members and allies to restrict output.

The Organisation of the Petroleum Exporting Countries and allies, known as OPEC+, are planning to increase production by 2 million bpd from January after record output cuts this year.

But Russian President Vladimir Putin, speaking last Thursday, did not rule out extending the cuts for longer.

Property shares buoy UAE bourses

● **Saudi Energy Minister said on Monday that the worst was over for the oil market**

Reuters

Major Gulf markets ended higher yesterday, with gains in real estate shares boosting indexes in the United Arab Emirates, while Egypt snapped eight sessions of losses.

The Abu Dhabi index closed up 1.3 per cent, boosted by a 11.8pc surge in Aldar Properties which saw its biggest intraday gain in nearly six years on Monday after announcing it will take over the management and development of government capital projects worth 30 billion dirhams (\$8.17 billion)



Representative picture (Courtesy of Nasdaq)

under an agreement with state-backed ADQ.

First Abu Dhabi Bank increased 1.4pc. In the previous session, the United Arab Emirates' biggest lender reported a 19pc fall in quarterly profit, dragged down by a double-digit drop in net interest income and higher impairment charges.

Dubai's main share index gained 1.1pc, led by a 5.8pc rise in blue-chip developer Emaar Properties and a 6.7pc jump in

DAMAC Properties.

Saudi Arabia's benchmark index added 0.5pc, with oil giant Saudi Aramco rising 1.2pc and Al Rajhi Bank 1120.SE increasing 0.5pc.

The kingdom's Energy Minister Prince Abdulaziz bin Salman said on Monday that the worst was over for the oil market.

Elsewhere, National Commercial Bank advanced 1.1pc. Post trading hours, the kingdom's largest lender reported

a higher net profit in the third quarter.

In Qatar, the index rose 0.5pc, supported by a 2.2pc leap in lender Masraf Al Rayan and a 2.9pc rise in Commercial Bank.

Outside the Gulf, Egypt's blue-chip index was up 0.5pc, as most of the stocks on the index were in positive territory including Commercial International Bank Egypt, which was up 0.9pc.

Closing Bell

SAUDI	▲ 0.5pc to 8,199 pts
ABU DHABI	▲ 1.3pc to 4,683 pts
DUBAI	▲ 1.1pc to 2,191 pts
QATAR	▲ 0.5pc to 9,853 pts
EGYPT	▲ 0.5pc to 10,560 pts
BAHRAIN	▲ 0.5pc to 1,428 pts
OMAN	▼ 0.2pc to 3,556 pts
KUWAIT	▼ 1pc at 5,979 pts