

# Arab Economies Expected to Grow by 3.4% in 2023



The Arab Monetary Fund (AMF) projected a 3.4 percent growth for Arab economies, accompanied by tighter monetary policies to curb inflation.

The report showed that Arab countries with economic reform programs and strategies to diversify their economies, improve their resilience, enhance their business environments, empower the private sector, and invest in human capital are more able to cope with economic shocks.

The economic growth rate of Arab countries will rise to 4 percent in 2024, mainly due to the expected stability of oil and gas prices, basic goods prices, and controlled inflation.

Higher energy prices will boost the economic growth of major Arab oil exporters in 2023 and 2024, with their economies expected to grow by 3.4 percent in 2023 and by 4.2 percent in 2024, the report stated.

Gulf Cooperation Council (GCC) countries have a positive outlook for 2023, with an expected GDP growth of 3.4 percent, mainly due to their efforts to diversify their sources of income, the report added, noting that oil prices are likely to remain stable and high, resulting in higher oil revenues and improved financial outcomes, foreign exchange reserves and fiscal positions.

The report stressed that promoting workforce localization and increasing the participation of citizens in the private sector is another key approach to achieving growth in GCC countries, most notably in the UAE, Saudi Arabia, and Bahrain.

According to the AMF report, Arab countries that import oil will see their growth rate increase from 3.1 percent in 2023 to 4 percent in 2024, after inflation is controlled by the end of this year and monetary policies are eased.

Various international organizations had different estimates for global economic growth in 2023 and 2024, ranging from 1.7 percent to 2.9 percent for 2023 and from 2.7 percent to 3.1 percent for 2024, the report stated.

Director General and Chairman of the Board of the Arab Monetary Fund, Dr. Abdulrahman Al Hamidy said the region has been witnessing a remarkable transition in the past years.

## **Saudi Arabia**

The AMF expected Saudi Arabia's economic growth to remain robust in 2023-2024, reaching 3.1 percent and 5.7 percent respectively.

The non-oil sector in the Kingdom is forecast to achieve strong growth averages.

Even as the Kingdom aims to reduce its reliance on energy to develop the economy, its pioneering role in the global oil markets can't be disregarded, the report added.

Saudi Arabia achieved an 8.7 percent GDP growth rate in 2022 and broke its total amount record of more than \$1 trillion.

A considerable part of this growth is attributed to the massive reforms carried out by the Kingdom and structural improvements that contributed to supporting the economy's diversity, sustainable development in the non-oil sector, and maintaining a balanced public debt, in addition to reinforcing the financial and tourism sectors' role within the Saudi Vision 2030.

## **UAE**

The UAE's economic growth is expected to remain robust, averaging 4.6 percent from 2022 to 2024, driven by higher oil prices and improved business confidence, according to the AMF.

It forecasts a 4.2 percent growth rate for the UAE in 2023, accompanied by a decline in the consumer price index to 2.9 percent in 2023 and 2.57 percent in 2024.

## **Egypt**

The Egyptian economy is expected to achieve a 3.7 percent growth in 2023 down from 6.6 percent in 2022.

This drop is attributed to the global economic condition and the uncertainty resulting from the global geopolitical and economic changes, in addition to increased inflation that impacts business and individuals' purchasing power.

# **UAE's Masdar to Develop 150 MW Solar Project in Angola**



Abu Dhabi Future Energy Company, known as Masdar, is planning to develop a 150-megawatt solar power project in Angola to provide renewable energy to 90,000 homes and support economic growth, including jobs, the UAE state news agency WAM said on Saturday.

The announcement was made during the COP28 climate summit hosted by the United Arab Emirates.

Angola's Ministry of Energy and Water and Masdar, the Gulf state's clean energy developer, signed a concession agreement to build and operate the ground-mounted solar power project in the Quipungo region of southern Angola, the statement said.

No details on the likely costs were provided. The project is part of a wider commitment made by Masdar this year to develop 5 gigawatts (GW) of renewable energy projects across Angola, Uganda and Zambia.

"Africa has what it takes to become the world's renewable energy powerhouse," Sultan Al Jaber, COP28 president, said in the statement.

"The UAE stands shoulder-to-shoulder with our friends in Africa as we strive to secure a just energy transition at this COP of action and COP for all."

Angola wants to increase its national electrification to around 60% by 2025; less than half of the population has access to electricity at present, the statement said.

# UAE Says It Concludes Free Trade Agreement with Colombia



The UAE said on Saturday it had concluded the terms of a trade deal with Colombia, which it called the first such bilateral agreement between the Gulf and South America.

"The UAE and Colombia have concluded the terms of a Comprehensive Economic Partnership Agreement – the first bilateral trade deal between the Gulf and South America," Thani Al Zeyoudi, UAE minister of State for Foreign Trade, wrote on X.

"We can look ahead to a new era of cooperation that will deliver growth for both nations."

UAE state news agency WAM said the deal, once implemented, will "remove or reduce tariffs on the majority of product lines, eliminate unnecessary barriers to trade, improve market access and deepen collaboration" across a variety of sectors, including energy, telecommunications, tourism and food production