QNB FINANCIAL SERVICES

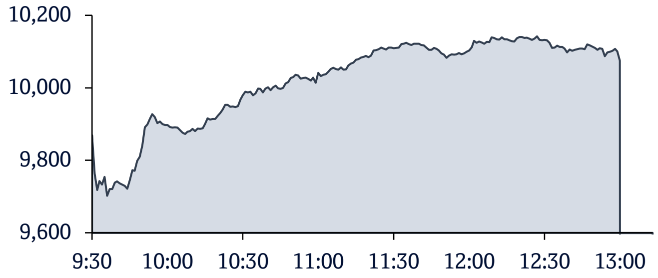
الخدمات المالية

Financial Services

Daily Market Report

Sunday, 02 July 2023

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 2.4% to close at 10,074.6. Gains were led by the Real Estate and Industrials indices, gaining 3.6% and 2.9%, respectively. Top gainers were QLM Life & Medical Insurance Co. and Qatar International Islamic Bank, rising 7.3% and 5.3%, respectively. Among the top losers, Qatar Gas Transport Company Ltd. fell 2.0%, while Medicare Group was down 1.4%.

GCC Commentary

Saudi Arabia: The market was closed on June 26, 2023.

Dubai: The DFM Index fell 0.5% to close at 3,791.9. The Utilities Index and Communication Services indices declined 0.6% each. Dar Al Takaful declined 4.9% while Emaar Properties was down 2.7%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 9,550.4. The Financials Index and Energy indices declined 0.5% each. Abu Dhabi National Oil Co declined 1.3% while Q Holding was down 1.2%.

Kuwait: The Kuwait All Share Index gained 0.6% to close at 7,029.8. The Health Care index rose 3.4%, while the Utilities index gained 1.5%. Credit Ratings and Collection rose 14.1%, while Ekttitab Holding Co. was up 10.9%.

Oman: The MSM 30 Index gained 0.4% to close at 4,768.2. Gains were led by the Industrial and Financial indices, rising 1.2% and 0.5%, respectively. Takaful Oman rose 8%, while Musandam Power Company was up 7.6%.

Bahrain: The BHB Index gained 0.1% to close at 1,957.9. The Financials index rose 0.1%, while the Communications Services index gained marginally. Ithmaar Holding rose 2.6% while Zain Bahrain was up 0.8%.

Market Indicators	26 Jun 23	25 Jun 23	%Chg.
Value Traded (QR mn)	535.2	340.3	57.3
Exch. Market Cap. (QR mn)	592,234.4	579,445.1	2.2
Volume (mn)	202.5	148.1	36.8
Number of Transactions	19,223	11,653	65.0
Companies Traded	47	47	0.0
Market Breadth	39:6	4:42	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,621.50	2.4	(0.3)	(1.2)	12.2
All Share Index	3,397.66	2.2	(0.6)	(0.5)	13.3
Banks	4,184.35	2.4	(0.2)	(4.6)	13.2
Industrials	3,686.34	2.9	(0.5)	(2.5)	12.3
Transportation	4,770.38	(0.5)	(3.4)	10.0	13.6
Real Estate	1,503.40	3.6	(1.5)	(3.6)	18.0
Insurance	2,362.93	0.9	(3.6)	8.1	178.8
Telecoms	1,640.32	1.3	(0.5)	24.4	14.5
Consumer Goods and Services	7,893.79	2.5	1.2	(0.3)	22.7
Al Rayan Islamic Index	4,496.37	3.0	(0.1)	(2.1)	8.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Int. Islamic Bank	Qatar	10.00	5.3	8,566.7	(3.8)
Ezdan Holding Group	Qatar	1.04	4.4	17,474.3	4.3
Industries Qatar	Qatar	11.23	4.0	2,032.1	(12.3)
Qatar Fuel Company	Qatar	16.98	3.4	988.8	(5.4)
Masraf Al Rayan	Qatar	2.56	3.3	14,566.8	(19.2)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Research & Media Gr	Saudi Arabia	188.80	(2.8)	37.7	3.7
Emaar Properties	Dubai	6.41	(2.7)	8,647.9	9.4
Saudi Tadawul Gr. Holding	Saudi Arabia	188.20	(2.3)	244.0	4.0
Qatar Gas Transport Co. Ltd	Qatar	4.07	(2.0)	6,167.0	11.1
National Bank of Bahrain	Bahrain	0.61	(0.0)	130.1	6.5

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/ losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
QLM Life & Medical Insurance Co.	3.000	7.3	229.2	(37.5)
Qatar International Islamic Bank	10.00	5.3	8,566.7	(3.8)
Qatar Aluminum Manufacturing Co.	1.270	5.0	35,396.2	(16.4)
Dlala Brokerage & Inv. Holding Co.	1.469	5.0	1,703.5	28.6
Baladna	1.430	4.9	4,799.2	(6.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	4.067	(2.0)	6,167.0	11.1
Medicare Group	6.405	(1.4)	146.6	3.2
Qatar Industrial Manufacturing Co	2.869	(1.0)	95.4	(10.6)
Qatar National Cement Company	3.851	(0.9)	27.5	(20.4)
Qatar Insurance Company	2.170	(0.0)	207.1	12.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminum Manufacturing Co.	1.270	5.0	35,396.2	(16.4)
Mazaya Qatar Real Estate Dev.	0.750	2.5	24,627.7	7.8
Ezdan Holding Group	1.044	4.4	17,474.3	4.3
Masraf Al Rayan	2.563	3.3	14,566.8	(19.2)
Salam International Inv. Ltd.	0.671	2.3	12,125.6	9.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar International Islamic Bank	10.00	5.3	81,389.5	(3.8)
QNB Group	15.42	2.1	57,920.0	(14.3)
Qatar Aluminum Manufacturing Co.	1.270	5.0	44,493.6	(16.4)
Masraf Al Rayan	2.563	3.3	36,397.3	(19.2)
Qatar Islamic Bank	17.71	3.1	30,731.1	(4.6)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,074.60	2.4	(0.3)	(0.8)	(5.7)	146.96	161,916.9	12.2	1.4	4.9
Dubai	3,791.99	(0.0)	0.4	6.0	13.7	135.77	177,547.1	9.2	1.3	4.7
Abu Dhabi	9,550.40	(0.1)	0.2	1.5	(6.5)	356.79	727,555.9	32.0	2.9	1.8
Saudi Arabia@	11,458.98	(0.1)	(0.5)	4.0	9.4	1,687.96	2,906,849.3	18.0	2.2	3.0
Kuwait	7,029.77	0.6	(0.3)	3.4	(3.6)	127.40	146,646.8	17.3	1.5	3.8
Oman	4,768.22	0.4	0.8	3.1	(1.8)	7.47	33,331.4	15.9	1.1	4.4
Bahrain	1,957.87	0.1	(0.2)	(0.3)	3.3	2.81	55,150.7	6.9	0.7	7.8

*Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades if any, @ Data as of June 22, 2023)*

Qatar Market Commentary

- The QE Index rose 2.4% to close at 10,074.6. The Real Estate and Industrials indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari shareholders.
- QLM Life & Medical Insurance Co. and Qatar International Islamic Bank were the top gainers, rising 7.3% and 5.3%, respectively. Among the top losers, Qatar Gas Transport Company Ltd. fell 2.0%, while Medicare Group was down 1.4%.
- Volume of shares traded on Monday rose by 36.8% to 202.5mn from 148.1mn on Sunday. However, as compared to the 30-day moving average of 220mn, volume for the day was 7.9% lower. Qatar Aluminum Manufacturing Co. and Mazaya Qatar Real Estate Dev. were the most active stocks, contributing 17.5% and 12.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.26%	32.50%	(22,679,438.74)
Qatari Institutions	25.78%	26.01%	(12,30,093.53)
Qatari	**54.05%**	**58.51%**	**(23,909,532.27)**
GCC Individuals	0.46%	0.22%	1,308,684.48
GCC Institutions	1.23%	0.78%	2,436,266.52
GCC	**1.70%**	**1.00%**	**3,744,951.00**
Arab Individuals	15.48%	13.77%	9,149,976.76
Arab Institutions	0.00%	0.00%	(15,518.96)
Arab	**15.48%**	**13.77%**	**9,134,457.80**
Foreigners Individuals	3.79%	3.61%	968,977.85
Foreigners Institutions	24.99%	23.11%	10,061,145.63
Foreigners	**28.78%**	**26.72%**	**11,030,123.48**

*Source: Qatar Stock Exchange (*as a % of traded value)*

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06-29	US	Bureau of Economic Analysis	GDP Annualized QoQ	1Q T	2.00%	1.40%	1.30%
06-29	US	Bureau of Economic Analysis	Personal Consumption	1Q T	4.20%	3.80%	3.80%
06-29	US	Bureau of Economic Analysis	GDP Price Index	1Q T	4.10%	4.20%	4.20%
06-30	UK	Nationwide Building Society	Nationwide House PX MoM	Jun	0.10%	-0.20%	-0.10%
06-30	UK	Nationwide Building Society	Nationwide House Px NSA YoY	Jun	-3.50%	-4.00%	-3.40%
06-30	UK	UK Office for National Statistics	GDP QoQ	1Q F	0.10%	0.10%	0.10%
06-30	UK	UK Office for National Statistics	GDP YoY	1Q F	0.20%	0.20%	0.20%
06-30	EU	Eurostat	CPI Estimate YoY	Jun	5.50%	5.60%	6.10%
06-30	EU	Eurostat	CPI MoM	Jun	0.30%	0.30%	0.00%
06-30	EU	Eurostat	CPI Core YoY	Jun	5.40%	5.50%	5.30%
06-30	EU	Eurostat	Unemployment Rate	May	6.50%	6.50%	6.50%
06-30	China	China Federation of Logistics	Manufacturing PMI	Jun	49.00	49.00	48.80
06-30	China	China Federation of Logistics	Non-manufacturing PMI	Jun	53.20	53.50	54.50

Earnings Calendar

Tickers	Company Name	Date of reporting HY2023 results	No. of days remaining	Status
QNBK	QNB Group	10-Jul-23	8	Due
QFLS	Qatar Fuel Company	19-Jul-23	17	Due

Qatar

- **QNB Group: To disclose its Semi-Annual financial results on July 10 -** QNB Group to disclose its financial statement for the period ending 30th June 2023 on 10/07/2023. (QSE)
- **Industries Qatar Board of Directors approves potential acquisition of Al Qataria for Production of Reinforcing Steel by its fully owned subsidiary Qatar Steel -** Industries Qatar (or "the group") one of regional industrial giants, announced, that the Board of Directors has given in principal approval for a potential acquisition offer of 100% shares in Al Qataria for Production of Reinforcing Steel (Al-Qataria) by its fully owned subsidiary Qatar Steel (Qatar Steel). The completion of the transaction is subject to obtaining related regulatory and other concerned approvals. Further details of this transaction will be disclosed in due course. (QSE)
- **Baladna QPSC increased its share ownership in Juhayna Food Industries (Egypt) to reach 15% -** Kindly be advised that Baladna QPSC purchased 600,000 shares (Gross Transaction value of EGP 7,379,132 equivalent to QR 872,299) of Juhayna Food Industries (Company listed on Egyptian Stock Exchange) on 26th June 2023 and accordingly we have reached 15.03% stake equivalent to 141,501,582 shares in Juhayna. Below mentioned the summary of Investment as of 26 June 2023. No. of Shares purchased to date: 141,501,582 Shares. Total Investment to date EGP 1,083,676,612 (Equivalent to QR 199,302,191). We would also like to point out that the purchase was made through a series of transactions, the first of which was on 13 July 2021, on 6 March 2022 and 24 May 2022 Baladna reached 5% and 10% stake in Juhayna's capital respectively. After that, Baladna Company continued its share purchase, thus raising its share in the Juhayna Company's capital to reach on 26 June 2023 to 141,501,582 shares, which is equivalent to 15.03% of Juhayna's total capital. Baladna is a market leader in the Qatar dairy market and has shown resilient growth over the last 4 years. According to the developed strategy the company wants to continue its growth path within Qatar and to expand to other countries outside Qatar into F&B market. This is by taking into consideration both green field and brown field projects to enhance the shareholder value. Investment decisions are based on very detailed

analysis of the market. Egypt market with population more than 100mn is large and promising F&B market. Being the market leader, Juhayna company is expected to be most beneficial from the market growth with strong distribution network. Juhayna Food Industries A leading Egypt-based manufacturer specialized in the production, processing and packaging of dairy, juice, and cooking products. Since its founding in 1983, it has secured a frontrunner position in the dairy and juice industries in Egypt and has expanded its presence in the Middle East, a feat made possible through its firm commitment to delivering a wide range of high-quality, healthy, and safe products that have become trusted household names. Additional Information - Juhayna: • A public listed company on Egyptian Exchange-EGX • ISIN No. EGS30901C010 • Total Company shares to-date: 941,405,082 shares • Registered address: Juhayna Headquarter, Polygon, Building No. 02, Beverly Hills, Sheik Zayed – Giza, Egypt. (QSE)

- **Mekdam Holding Group signs an agreement** - Mekdam Holding Group announces it has signed agreement Customer: Qatar Petrochemical Company (QAPCO) Q.P.J.S.C. Contract Title: Contract for Provision of Skilled Manpower in Different Disciplines in QAPCO Premises. Value: QR175mn. Duration: 5 Years. Completion Date: 31 December 2028. Scope of Work: Providing skilled manpower in various disciplines. The total value of contracts awarded to Mekdam Holding Group during year 2023 has exceeded an amount of QR455mn. As for the total value of the contracts being executed, it amounted to around QR2,538mn. (QSE)
- **QNB Group receives 'Sustainable Finance Awards' from Global Finance -** QNB Group has received three prestigious awards from Global Finance as part of the 'Sustainable Finance Awards 2023' ceremony held recently in London. QNB's excellence was marked by recognizing its 'Outstanding Leadership in Green Bonds Across Middle East', 'Outstanding Leadership in Sustainable Project Finance Across Middle East', and being 'Best Bank for Sustainable Finance in Qatar'. The third consecutive year that QNB was recognized through these awards brings the group to a total of nine Global Finance and Sustainable Finance Awards to date. Complemented by the bank's recently published market-leading Sustainable Finance and Product Framework (SFPF), the awards are a clear recognition of the group's commitment towards enhancing its sustainability agenda and amplifying the group's effort in raising awareness in the community to highlight its sustainability initiatives. It is also worth noting that the group's continued execution of its sustainability framework has resulted in leading environmental, social and governance (ESG) ratings in the region from international rating agencies. This is a testament to QNB's purpose to promote prosperity and sustainable growth across the markets we serve. The Global Finance Sustainable Finance Awards were set to illuminate global, regional, and country leadership in sustainable finance, as well as the efforts that the banks set forward to mitigate the negative impacts of climate change. QNB Group currently ranks as the most valuable bank brand in the Middle East and Africa. Through its subsidiaries and associate companies, the group extends to 28 countries across three continents providing a comprehensive range of advanced products and services. The total number of employees is more than 29,000, operating through 900 locations with an ATM network of more than 4,800 machines. (Gulf Times)
- **Wasata Financial Securities is starting market maker activity on a group of companies, from Sunday, July 2, 2023 -** Qatar Stock Exchange announces that Wasata Financial Securities company is starting market activity on the following shares from Sunday, July 2, 2023: 1. Industries Qatar 2. Ooredoo 3. Barwa Real Estate 4. Gulf International Services 5. Nakilat 6. Gulf Warehousing CO (QSE)
- **PSA: Qatar's GDP price estimates at QR228bn -** According to recent data from Planning and Statistics Authority (PSA), GDP at current prices during the third quarter of 2022 is estimated at QR 228.423bn. This represents an increase of 30.7% compared to the estimate for the same quarter of the previous year, which amounted to QR174.814bn. In the meantime, an increase of around 5.5% was posted when compared to its previous quarter, amounting to QR216.468bn. In its 42nd issue of the quarterly publication 'Window on Economic Statistics of Qatar', the report highlighted that "The quarterly GDP at constant prices (2018=100) shows an increase of 4.3% in Q3 of 2022 (QR175.028bn) compared to the estimate of Q3 of 2021 (QR167.782bn)." On the other hand, when compared to the second quarter of 2022, a vital surge of 3.6% was recorded that estimated at QR 168.879bn. The data indicates that Mining and Quarrying activities have also improved as compared to the previous quarters. "The nominal gross value added (GVA) estimate of Mining and Quarrying activities is estimated at QR105.896bn in Q3 2022, which shows an increase of 56.2% over the estimate of Q3 2021 placed at QR 67.812bn," it said. However, an increase of 8% in the GVA of this sector was recorded, when compared to the previous quarter's (Q2 2022) estimate at QR98.086bn. The given data outlined that the real GVA of all these activities surged from its previous quarters as they were estimated at QR64.377bn in the third quarter of 2022, showing an increase of 2.7% compared to the estimate of the third quarter of 2021 at QR62.685bn. When compared to the second quarter of 2022, it was estimated at QR 63.884bn, which recorded a 0.8% rise in the real GVA of this sector. The PSA report further stated that "The nominal GVA of Non-Mining and Quarrying activities is estimated at QR122.527bn in Q3 2022, which shows an increase of 14.5% over the estimate of the same period in 2021, estimating at QR107.002bn." However, the revised estimation showing QR118.382bn posted an increase of 3.5% when compared to the second quarter of 2022. It added: "The real GVA of Non-Mining and Quarrying activities is estimated at QR110.651bn in Q3 2022, which shows an increase of 5.3% over the estimate of the third quarter of 2021 (QR 105.097bn). When compared to the second quarter of 2022, the revised estimate showed 104.995bn, an increase of 5.4% also recorded. (Peninsula Qatar)
- **Qatar's nominal GDP forecast at $227.3bn this year, $228.8bn in 2024 -** Qatar's nominal GDP has been forecast at $227.3bn this year and $228.8bn in 2024 in a report by regional banking group Emirates NBD. Real GDP growth has been forecast at 2.3% this year and 2.6% in 2024. The country's current account (as a percentage of its GDP) has been forecast at 20.8% this year and 22.8% in 2024. Emirates NBD has forecast budget balance (as a percentage of its GDP) at 3.8% this year and 6% in 2024. Inflation based on consumer price index is expected to be 3% this year and 2.5% in 2024. In a report on energy transition, Emirates NBD said the conventional approach to analyzing the economic impact of the energy transition is that economies highly dependent on the extraction of hydrocarbons will be challenged as the global economy reduces its dependence on hydrocarbons as energy inputs. This economic shorthand suggests that economies in the GCC where oil and gas still represent a large share of nominal GDP and account for the largest share of fiscal and current account receipts will need to substantially reform their economic structure in order to achieve long-term sustainable growth. The need to diversify economies across the GCC away from reliance on oil and gas has been a strategic objective of all economies in the region for decades. Progress has been positive, though uneven, and has mainly been thanks to the development of other industries rather than oil and gas output declining, the report said. The focus on the GCC as producers of energy, as sources of fossil fuels, obscures another challenge for the region. The region has one of the largest energy consumption footprints in the world, relying heavily on oil and gas as a primary source of energy as well as the main fuel in power generation. Energy consumption in the Middle East and North Africa (Mena) region represents around 8% of the world total, slightly ahead of the region's share of the global population (about 6% as of 2021). But growth in energy demand runs among the fastest in the world. On a generational basis 25 years primary energy consumption in the region is doubling. That represents a slowdown from the near quadrupling in energy consumption recorded over the same time period in the 1980s but is still only second to Asia in terms of the pace of energy demand growth, a region which has nearly nine times the size of population as Mena, Emirates NBD said. (Gulf Times)
- **Qatar's trade surplus exceeds QR102bn -** The foreign merchandise trade balance showed a vital improvement in its trade imports and exports with an increase of QR44.3bn or 76.6% during Q3 2022 compared to the corresponding quarter of its previous year, according to a recent publication of the Planning and Statistics Authority (PSA). The trade balance, which represents the difference between total exports and total imports, showed a surplus of QR102.1bn in the third quarter of 2022. The total exports (exports of domestic origin and re-exports) reached an

amount of QR133.6bn during the same quarter of 2022 showing a significant increase of QR51bn or 61.7% compared to its previous year's third quarter. Meanwhile, the year-on-year increase in total exports was reflected due to the higher value of exports in different sectors as per the given report. 'Petroleum gases and other gaseous hydrocarbons', amounted to QR94.3bn, which showed an increase of 88.2%, 'Petroleum Oils & Oils from Bituminous Minerals Etc. (Crude) came up to QR16bn, an increase of 33%, and 'Petroleum oils and oils from bituminous minerals (not crude)" totaled an amount of QR8.9bn, as the data reported that it increased by 9.7%. On the other hand, 'Mineral or Chemical Fertilizers and Nitrogenous' amounted to QR2.9bn, which showed an important increase of 28.6%, while the 'Polymers of ethylene, in primary forms" came up to QR2.6bn, an increase of 7.4% during the Q3 2022 compared to the corresponding quarter of 2021. However, there were no major decreases noticed in exports during the same quarter in 2022. The figures also depict that Asian countries such as China, South Korea, and India were among the top three countries of destinations for Qatar's exports. In the recent report entitled 'Window on Economic Statistics of Qatar', PSA highlighted the data on foreign merchandise trade, which is compiled as per international recommendations. It noted that the General Authority of Customs is the main source of imports and re-exports data. For exports, the direct survey of exporting companies is the main source." However, it added that imports are valued at cost, insurance, and freight (c.i.f.), and exports at free-on-board (f.o.b.). All goods are classified according to the Unified Customs Tariff Code for the GCC countries (GCC Tariff), which is an adapted version of the International Harmonized System (HS). (Peninsula Qatar)

- **Planning and Statistics Authority releases its monthly Producer Price Index statistics -** Planning and Statistics Authority (PSA) has released the new Monthly Producer Price Index (PPI) of the Industrial sector for May 2023, which calculated based on 2018 where the details of relative importance and prices for the base year of 2018 are used. Therefore, the relatives of the main four industry sectors become as follow: "Mining" (weight: 82.46%), "Manufacturing" (weight: 15.85%), "Electricity" (weight: 1.16%), and "Water" (weight: 0.53%). The PPI for May 2023 is estimated at 112.51 points showing a decrease of 5.89%, when compared to the previous month's April 2023. On [Y-o-Y] basis, PPI of May 2023 showed a decrease of 29.83%, when compared to the PPI of May 2022. The PPI of May 2023 for Mining and Quarrying sector showed a decrease by 6.19% when compared with PPI of April 2023, primarily due to the price decrease on "Crude petroleum and natural gas" by 6.20%, while no change noticed in "Other mining and quarrying". PPI of Mining of May 2023, when compared with its counterpart in previous year (May 2022), there was a decrease of 30.24%, due to the price decrease on "Crude petroleum and natural gas" by 30.28%, followed "Other mining and quarrying" by 0.49%. A decrease of 4.34% has been recorded in May 2023, when compared with the previous month's Manufacturing index (April 2023). The prices decrease is seen in: "Chemicals and chemical products" by 6.49%, followed "Refined petroleum products" by 4.78%, "Beverages" by 0.45%, "Cement & other non-metallic mineral products" by 0.18% and "Food products" by 0.11%. The increasing prices are noticed in "Rubber and plastics products" by 4.85% and "Basic metals" by 0.45%. No change noticed in "Printing and reproduction of recorded media" in May 2023. Comparing with the index of counterpart in the previous year (May 2022), "Manufacturing" PPI of May 2023 showed a decrease of 30.55%. The major groups which explain this price decrease are: "chemicals and chemical products" by 37.95%, followed by "Refined Petroleum products" by 31.34%, "Basic metals" by 17.88% and "Cement & other non-metallic mineral products" by 0.03%. However, the increasing prices are noticed in: "Rubber and Plastics products" by 5.92%, followed by "Food products" by 4.35%, "Beverages" by 1.01% and "Printing and reproduction of recorded media" by 0.57%. The PPI of Electricity, gas, steam, and air conditioning supply showed a decrease of 9.47% compared to April 2023. When compared the PPI of May 2023, to the PPI of May 2022 [Y-o-Y], showed an increase of 12.00%. The PPI of Water supply showed an increase of 5.52% compared to April 2023. When compared the PPI of May 2023, to the PPI of May 2022 [Y-o-Y], showed an increase of 17.04%. (Peninsula Qatar)

- **Qatar's quarterly PPI shows significant surge of 4% -** The Production Price Index (PPI) showed a significant increase of 4% during the third quarter of 2022 as compared to its previous quarter, the Planning and Statistics Authority (PSA) stated in its latest report. According to PSA's report entitled 'Windows on Economic Statistics of Qatar', PSA said that PPI rose by 49.8% as compared to the corresponding year of 2021. Since 2013, the PPI is produced every month and was rebased from 2013 to 2018 in March 2022. The report highlights that the new weights of each industry group are Mining at 82.46%, Manufacturing at 15.85%, Electricity at 1.15%, and Water at 0.52%. The increase of 4.0% in the PPI of Q3 2022 compared to Q2 2022 is mainly attributable to the increase in the prices of Crude oil and Natural gas by 7.4%, Manufacture of Rubber and Plastic Products by 3%, Food Products by 0.9%, Printing and Reproduction of Recorded Media by 0.3%. However, there was a decrease in Chemicals and Chemical products by 17.8%, Coke and Refined Petroleum products prices by 12%, Basic Metals by 7.2%, other non-metallic mineral products by 1.4%, and other mining and quarrying by 0.7%. The report noted that the 49.8% y-o-y increase is the net effect of an increase in some groups and declines in others. The groups that recorded the highest increase were Crude Oil and Natural Gas at 58.3%, Rubber, and Plastic Products at 35.9%, Coke and Refind Petroleum Products at 26.7%, Basic Metals prices at 15.2%, Other Minning and Quarrying at 11.2%, Chemicals and Chemical Products by 10.3%, Other Non-Metalic Mineral products by 8.4%, Food products by 3.2%. While there is a decrease recorded in Printing and Reproduction of Recorded Media by 4.2% and Beverage's products by 1.3%. Q3 2022 also witnessed a decline in Electricity, Gas, Stream, and Conditioning supply by 6.9% compared to the second quarter of the year but an increase of 4.3% was recorded compared to the corresponding quarter of 2021. However, the report indicated that Water Supply, Sewerage, Waste Management, and Remediation Activities surged by 6.5% compared to the previous quarter but decreased by 1.6% in the corresponding quarter of 2021. (Peninsula Qatar)

- **Qatar May foreign reserves QAR239.66b -** Qatar's foreign reserves were QAR239.66b in May, according to the Qatar Central Bank. (Bloomberg)

- **Outbound travel sales boom as holiday season begins -** Travel agencies have signaled that outbound travel has surged rapidly during Eid and Summer seasons. Industry professionals highlight that travel demand has increased in the second quarter post-Ramadan and Eid holidays. Speaking to The Peninsula Rehan Ali Sayed, Chief Executive Officer at Tawfeeq Travel Group, said: "In the current quarter there has been a surge in bookings and as we approach summer, the travel demand has been booming. Last year due to FIFA many families and individuals abstained from travelling hence everyone is looking forward to the upcoming summer holidays". He indicated that travel agencies have yet again reached their busiest time of the year since the last week of May. "Sales is booming since the end of May with more and more passengers firming up their plan to travel. Since it is school holidays, hence the demand for outbound is quite high, especially for people going back to their home countries," Sayed said. During the first two quarters of 2023, outward-bound travel lowered due to the ticket prices. He noted that "Outbound has been a bit of slack post-FIFA, one of the main reasons has been soaring airline fares however with summer we can see the surge of travel bouncing back and we look forward to a busy summer season." Qatar's leisure industry plays a significant role in stabilizing the country's economy as the official remarked, "Travel as a vertical itself contributes heavily to the economic growth of any country so by heavy investments into retail outlets and state of the art offices our contribution is substantial to the growth of Qatar economy." In addition to offering bountiful services for expats and residents in Qatar to visit their home country, travel agencies have also devised packages for individuals desiring to spend vacations in leisurely cities. Lourdes Dolor, Marketing Manager at Darwish Travels shared some of the most preferred tourist attractions for citizens and residents. She said that "Dubai, KSA, London, Spain, and France remain top preferred destinations for Qataris; while Georgia, Seychelles, Maldives, Turkey, UAE, and the Netherlands are quite popular with expats. Travel time and visa-on-arrival regulations are also important factors that affect the choices, especially for expat travelers." She remarked that the agency has commenced several packages for the holiday season. Dolor said that "For this year, we have launched outbound tour packages to various destinations like Bangkok, Kuala Lumpur, Hong Kong, Istanbul, etc that only costs QR2,023," "This rate is for two adults, and it already includes hotel accommodation, airport transfers, and two-day tours that would enable them to explore these cities. Middle Eastern cruise packages have also started to become quite popular, and we expect more and more bookings for this product within the year," she added. According to Air Transport Statistics released recently, last month witnessed a vital increase in air passengers by 22.2% and aircraft movement surged by 16.6% compared to May 2022. Qatar Aviation Authority in its recent tweet indicates that the resilient momentum is poised to augment in the coming months. (Peninsula Qatar)

- **Qatar's oil and gas industry a key driving force to revitalize economy -** Qatar's enhanced renewable energy sector is aiming towards fortifying its economy the years ahead, a report by Energy Industries Council (EIC) stated. Although a reduction was witnessed in hydrocarbon revenues during the coronavirus peak period, the oil and gas industry stood solid by playing a vital part in the country's economy. The report said: "Qatar maintains a robust emphasis on its oil and gas activities, which play a pivotal role in supporting the energy transition. This is primarily attributed to its substantial reserves of natural gas, widely acknowledged as an acceptable fuel for transitioning to cleaner energy sources." EIC mentions that almost 80% of Qatar's LNG is directed toward the Asian market, catering to in-creasing demand in the region. Recently, QatarEnergy signed a few important deals with global Asian energy firms such as Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) and with China National Petroleum Corporation (CNPC). The partnership with Petrobangla is to deliver nearly 1.8mn tonnes per annum (MTPA) LNG to Bangladesh for 15 years starting January 2026. Meanwhile, QatarEnergy also signed two deals with CNPC including providing 4mn tons of LNG per annum, and a pact on LNG SPA under which QatarEnergy will transfer a 5% interest in the equivalent of one North Field East LNG expansion project (NFE) train to have a capacity of 8mn tons per annum. Qatar anticipates producing 5 gigawatts (GW) of solar power by 2035 and aims to strengthen its presence in the renewable energy sector, the report said However, to reach this goal, QatarEnergy has awarded engineering, procurement, and construction (EPC) contracts for two solar projects in Ras Laffan and Mesaieed. Faiz Halim, EIC analyst and author of the report commented that "Qatar's energy sectors are poised for re-markable growth as the country harnesses its natural gas reserves and invests in sustainable solutions. This creates ample opportunities as well as a sense of certainty for supply chain companies looking to add value to Qatar's energy sector." As the leading LNG exporter in the World, Qatar is optimistic about higher hydrocarbon production as global energy producers "vie" to make up for the lost supplies due to the Russian-Ukraine conflict, says the report. The report underscores that Qatar contributes significantly to the energy transition, which is supported by its abundant reserves of natural gas and has currently 18 projects in the oil and gas sectors, with a capital expenditure (CAPEX) of QR219.19bn ($60.2bn), $60.2bn. In the next four years, Qatar expects to increase its LNG production to a great extent by 49mn metric tonnes per annum, the report noted. QatarEnergy has inked pacts with several organizations worldwide to expand LNG and construction facilities this year. EIS underscored that the country's ambitious LNG expansion plans maintain its position as one of the largest LNG exporters in the world. In the meantime, Qatar looks forward to declining emissions from all sectors by 25% and QatarEnergy's Sustainability strategy enables carbon intensity to decrease by 25% in upstream operations and by 35% in LNG facilities by 2035. The report further added that "The country is currently putting a lot of effort into developing the North Field following the lifting of its moratorium on new gas export projects from the area. Additionally, Qatar has engaged in several long-term agreements with other nations, establishing sale and purchase arrangements (SPA) for the provision of LNG." (Peninsula Qatar)

- **Availability of sukuks boosts investment options for Islamic banks in Qatar -** Fitch Ratings confirmed that the increasing availability of government sukuk and Islamic liquidity management tools by the Qatar Central Bank supports liquidity management and investment options for Islamic banks. In a report issued on Monday, it indicated that its review of its future expectations for three Qatari Islamic banks to positive from stable in April reflected a greater possibility of obtaining support from the concerned authorities in Qatar. The global rating agency said that Islamic banking services accounted for 25% of the total assets of the banking sector in Qatar at the end of the first quarter of 2023, making it the fifth-largest market for Islamic banking services in the world. The rating agency expected overall market share to increase in the current year due to high public demand and strong retail networks. (Qatar Tribune)

- **Qatar Airways Cargo to host first-ever IATA Cargo Hackathon in the Middle East -** Qatar Airways Cargo, a global leader in air cargo transportation, has announced that it is the official host for the next IATA One Record Hackathon to be held from November 24 to 26, 2023, in Doha. An IATA hackathon is a round-the-clock event that brings together teams of developers to innovate solutions that address an industry challenge. Focused on industry standards and initiatives, developers deep dive into the aviation environment where they can work together to explore new business applications and generate exciting ideas. Solutions are presented to a jury, and the winners have the opportunity to share and communicate their solutions to the industry. Guillaume Halleux, chief officer of cargo at Qatar Airways said: "Qatar Airways Cargo is thrilled to host the first-ever IATA Cargo Hackathon in the Middle East. We look forward to welcoming innovative minds to Qatar to be a part of this exciting weekend and have the chance to churn out great ideas for the industry and also explore our diverse and wonderful city. "Qatar Airways Cargo is at the forefront of advanced technology and is continuously investing in innovative solutions to enhance operational efficiency, visibility and security, and improve overall performance. We have invested heavily in digitalization, and it is a core pillar as a part of our Vision 2027 Strategy. "We are proud to have been a part of industry leading initiatives including IATA One Record, Development of Cargo Interline Booking APIs for B2B OAL integrations (Marketing & Operating), Development of Auto-AWB Generation API on marketplaces, and Click-through Agreement on Online Services platform. We cannot wait to see what great initiatives can be developed in the Hackathon in November." Brendan Sullivan, global head of cargo, IATA added: "Qatar Airways Cargo is the perfect partner to host the IATA Cargo hackathon. Their digital leadership and commitment to innovation creates the ideal environment for this event. Digitalization experts from around the world will gather to put the IATA data sharing standard ONE Record through its paces and demonstrate innovative use cases that will change air cargo." IATA's hackathon program was launched in 2015, initially focusing on airlines' retailing capabilities. The scope has since evolved to address other areas including environment, payment, cargo, accessibility, among many others. (Peninsula Qatar)

- **Qatar witnesses over 22% surge in air passengers in May -** Qatar has continued to witness a strong momentum in aircraft movements and air passengers as the preliminary Air Transport Statistics for May 2023 showed a vital surge in air passengers by 22.2% and aircraft movement recorded an increase of 16.6% compared to the same month last year. According to a recent tweet by Qatar Civil Aviation Authority (QCCA), 3.4mn air passengers were registered in the country by May 2023, compared to 2.8mn in the previous year. In the meantime, the air cargo and mail signaled a slight increase of 0.7% compared to May 2022 while the country registered 193,008 tonnes as compared to 191,675 tonnes in May 2022, the tweet stated. During April 2023, Qatar saw an increase of 31% in its air passengers as compared to its previous month. In the same month aircraft movement posted a 14.3% y-o-y increase with 18,762 flights, compared to 16,411 in the same time last year. The first quarter of 2023 witnessed a resilient flight movement with added benefits such as the extension of hayya cards and leisure activities. February and March recorded the highest activity in terms of the number of passengers onboard since Hamad International Airport and Doha International Airport commenced their operations. The number of passengers in March increased by 25% compared to the same period in 2022 and eventually saw a significant rise in its flight movement with 12.9%. However, air freight and mail activities reduced by 5.2% compared to the last year March. In January, Qatar posted a massive record rise in air passengers by 64.4% due to the FIFA World Cup 2022, while the air transport statistics indicated that there was an increase of 19.3% y-o-y for aircraft movement with 19,377 flights, compared to 16,239 within the same period in 2022. The top officials of Qatar Tourism and Qatar Airways recently noted that the country is progressing towards a leisure-driven hub in the region and is expected to see more than 6mn visitors per year by 2030. They remarked that tourism alone will contribute to Qatar's GDP growth by 7 to 12% in the next seven years. (Peninsula Qatar)

- **Minister of Municipality elected as vice-chairperson for FAO meet -** Minister of Municipality HE Dr. Abdullah bin Abdulaziz bin Turki AlSubaie has been elected Vice-Chairperson of the 43rd session of the Conference of the Food and Agriculture Organization of the United Nations (FAO), which is being held from July 1–7 2023, in Rome, Italy. The session is also held as part of the FAO's strategic framework of "Better Pro-duction, Better Nutrition, a Better Environment and a Better Life." The FAO Conference is set to discuss several key issues, including the role of trade in securing diverse foods to ensure global food security in times of crisis, especially considering the ongoing Russia-Ukraine conflict. The Conference will further shed light on climate change and spiking food prices, in addition to the prolonged humanitarian crises in Yemen, Sudan, Afghanistan, Syria and other countries. The Conference will also promote technological advancement and digital innovations in agricultural areas, with the aim of achieving the UN's sustainable development goals (SDGs). Minister of Municipality is heading the delegation of Qatar to the Conference, joined by Ambassador of Qatar to the Italian Republic and Permanent Representative of the State of Qatar to the United Nations Agencies based in Rome HE Khalid bin Youssef Al Sada. The ambassador will deliver a speech on the 3rdday of the Conference, highlighting Qatar's desire for continued fruitful cooperation and coordination with the FAO and all concerned parties, in a manner conducive to strengthening and building food systems that achieve the relevant UN's SDGs. The Conference, which started yesterday, July 1, 2023, will continue until Friday, July 7, 2023. It is also expected to result in a number of landmark decisions and recommendations related to global food security and food crises around the world. The 43rd session of the Conference, the FAO's supreme decision-making body, will serve as a vital platform for leaders, experts and stakeholders from around the world to engage in discussions focused on food security, agriculture and sustainable development. The Food and Agriculture Organization of the United Nations is a specialized UN agency that leads international efforts to eradicate poverty and improve global food security. It also works to ensure universal access to sufficient, safe and nutritious food whilst promoting sustainable agriculture and rural development. (Peninsula Qatar)

- **Allianz Trade: Qatar's debt-to-GDP ratio may fall further on economic recovery -** Qatar's debt-to-GDP ratio is expected to fall further in the wake of economic recovery, Allianz Trade said and noted the country's fiscal reserves remain solid. Qatar's fiscal breakeven point has ranged between $35 and $55 per barrel of crude oil over the past decade. Hence the government has recorded large annual fiscal surpluses in most years, except for 2016-2017 when oil and gas prices had been persistently low for some time. Even in 2020 a small surplus of +1.3% of GDP was achieved. The surplus widened to around +4.4% in 2021 and Allianz Trade estimates it to have increased to more than 10% in 2022, thanks to surging gas prices. Allianz Trade projects continued robust surpluses close to 10% of GDP in 2023-2024. Meanwhile, public debt rose from 25% of GDP in 2014 to 73% in 2020, in part due to declining nominal GDP. However, the debt-to-GDP ratio eventually declined to 58% in 2021 and Allianz Trade expects it to fall further over 2022-2024 in the wake of the economic recovery. Yet, in a recent forecast Allianz Trade noted the ratio to remain elevated and it should be monitored closely. Overall, however, Qatar will remain a large net external creditor, thanks to the huge foreign-asset position in the Qatar Investment Authority (QIA, a sovereign wealth fund currently estimated at approximately $475bn). According to Allianz Trade, Qatar's external liquidity will remain unproblematic in the next two years. Qatar has recorded large, sometimes huge annual current account surpluses for more than two decades, with the exceptions of 2016 and 2020 when global oil and gas prices were particularly low. These surpluses have contributed to the build-up of the QIA. Higher oil and gas prices moved the current account back into a surplus of nearly +15% of GDP in 2021 and more than 20% in 2022. That ratio is likely to narrow somewhat in 2023-2024 but should remain well in the double digits. Meanwhile, external debt is relatively high; it rose to 126% of GDP in 2020, incurred by oil and gas investments since the 2000s, but repayment obligations are unlikely to present liquidity problems, Allianz Trade said. The ratio is estimated to have fallen to approximately 84% in 2022 and should decline further. The annual debt-service-to-export-earnings ratio is forecast at a manageable 16% or so in 2023. "Financial resources will remain strong. The combined FX reserves of the central bank and the QIA represent over 200% of annual GDP and cover more than 80 months of imports," Allianz Trade added. (Gulf Times)

- **EIU: High energy prices to support Qatar's strong trade position in 2023-24; keep external liquidity comfortable -** High energy prices, despite falling below their recent peaks, will support Qatar's strong trade position in 2023-24 and keep external liquidity comfortable, EIU said in its latest country update. Qatar's sovereign credit strengths are large fiscal and current-account surpluses, which are expected to limit borrowing, and huge external assets. Qatar's public debt has fallen sharply over the past two years, EIU said and assigned 'A' sovereign risk rating. Although the "negative" net foreign asset position of Qatar's banks remains large, the authorities are taking steps to limit reliance on short-term non-resident deposits and external funding. The sector is "well regulated" and "strong prudential indicators" insulate banks from a deterioration in asset quality. Bank profitability has been bolstered by higher interest rates and a larger net interest margin, EIU said and assigned 'BBB' risk rating to the banking sector. According to EIU, the currency risk rating is also 'BBB'. The rating is supported by strong international demand for Qatar's hydrocarbons exports, a large current-account surplus and an appropriate monetary policy stance. The riyal's peg to the dollar will continue to be backed by healthy foreign reserves and the huge assets of the Qatar Investment Authority (the sovereign wealth fund), which holds assets worth an estimated $475bn. The economic structure risk rating is 'BB'. Qatar's over-reliance on hydrocarbons exports remains a vulnerability, exposing the country to global energy price movements, EIU noted. In a previous update, EIU said the country's real economic growth will remain stable throughout most of the long-term forecast period (2022-2050). Elevated global hydrocarbons prices and investment in the Qatar National Vision development plan will sustain robust growth until 2030, after which growth will start to edge down. There remains potential for bursts of high growth if the government approves further gas export projects, beyond those planned for the mid-2020s. Diversification and the expansion of the services sector, funded by the state's hydrocarbons wealth, will also provide opportunities for growth. The population will gradually rise in the long term, to 3.1mn in 2050. As a result, growth in real GDP per head will be slower than growth in real GDP, EIU noted. Qatar's overall business environment score has improved, from 6.60 for the historical period (2017-21) to 7.74 for the forecast period, EIU said. This has helped Qatar's global ranking to improve by 15 places, from 36th to 21st, although it retains its regional ranking, in third place. The largest improvements in terms of scores are in the infrastructure and market opportunities categories. "Qatar's fairly open foreign investment regime, open trading relationships with regional partners and sophisticated capital markets will remain strong aspects of its business environment. The main shortcomings are in policy towards private enterprise and competition and in access to financing for small and medium-sized enterprises; these are expected to improve in the medium term," EIU said. (Gulf Times)

- **Opensignal: Qatar tops average 5G download speeds in GCC region at 312Mbps -** Qatar has topped average 5G download speeds in the GCC region at 312Mbps, latest report by independent analytics company Opensignal has shown. The report said 5G video experience in Qatar is "good". 5G speeds continue to be impressive across the GCC, Opensignal noted. In five of the markets, average 5G download speeds top 200Mbps with only users in Oman missing out. In Qatar average 5G download speeds are even higher at 312Mbps. 5G peak download speeds are even more impressive, with every market seeing peak speeds over 500Mbps and Bahrain topping the region with a 5G peak download score of 1163.4Mbps. Upload speeds remain much more modest as operators and network vendors have targeted download for the initial improvements in 5G experience. With 5G, users' experience is considerably better than using older 4G network technology across Gulf Co-operation Council (GCC) markets, Opensignal said. Across the region average download speeds are between 5.2 times faster (Oman) and an astonishing 10.8 times faster (Kuwait) with 5G compared with 4G. This enormous speed increase is because 5G is able to use new high-capacity spectrum bands — such as 3.5GHz — which are not suitable for 4G. Saudi Arabia and Kuwait see the biggest jump across the GCC in video experience using 5G. With mobile video streaming there are also significant increases in every market but the improvement is less marked than it is for speed. In Saudi Arabia and Kuwait the video experience score is 19% higher with 5G. In three GCC markets, 5G users spend more than one fifth of their time with an active 5G connection. Top is Kuwait with a 5G availability of 39.4%. However, the GCC market with the largest land area — Saudi Arabia with 23.5% 5G availability — is part of this leading group, an impressive achievement for such a sizeable market. Turning to multiplayer gaming, mobile video streaming and real-time voice app communication, the smaller GCC markets again top the 5G tables, Opensignal noted. Kuwait has the highest 5G video experience score (75.9). On the other two measures, Kuwait drops to second. Instead, Bahrain is top for 5G games experience (81.4) and also for 5G voice app experience (83.2). Despite the complexity of deploying 5G network technology to a much larger country, Saudi Arabia is fourth for 5G video experience with a score of 72.5 and is a creditable third for 5G voice app experience with 81.3, Opensignal said. (Gulf Times)

- **Past decade sees robust growth in Qatar's ICT landscape -** The past decade witnessed the growth and development of Qatar's Information and Communications (ICT) landscape owing to the support and wise leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani. Perhaps the highlight of Qatar's ICT supremacy was manifested during the successful hosting of the 2022 FIFA World Cup where various technologies and innovation were utilized by the Qatari government to deliver "the best World Cup ever." "Qatar's ICT sector is stepping boldly onto the world stage, ready and committed to establishing Qatar as a regional and global digital hub," stated HE the Minister of Information and Communications Technology Mohamed bin Ali al-Mannai in the Communications and Regulatory Authority's (CRA) 'Qatar's ICT Landscape & Digital Trends 2022 – Supply-Side Market Outlook', which was released in March this year. Following its establishment in February 2014 through Amiri Decree No 42, the CRA continues to bring a broad range of innovative, high-quality, and reasonably priced communications services to individuals, businesses, and the government. The CRA, in its 2014-2015 Annual Report, stated that Qatar's telecommunications market was "healthy and growing, and investment in the sector remains strong, with increased revenues and market size, new products, and stable net profits." "Consumers are benefiting from wide-ranging consumer protection efforts, including a dispute resolution mechanism, a new advertising code of conduct, the Consumer Protection Policy, among others...a robust regulatory and legal framework that supports the development of the sector continues to be put in place," the CRA reported. In its 2021 Annual Report, CRA highlighted further developments across the past several years, such as the ICT sector's increased contribution to Qatar's GDP by 7.6%, totaling QR10.3bn. In 2018, Qatar's telecommunications providers, Ooredoo and Vodafone, launched their respective 5G-related projects, ushering a new era in the country's mobile ecosystem and other innovation-intensive industries. But according to CRA's 2021 Annual Report, the country's 5G coverage reached just under 100% of Qatar's population by Q4 2020. "We are particularly proud of the many signs of acceleration in the digital ecosystem and the significant investments in data centers and cloud infrastructure made by both global and local companies. Private investment in innovative startups in fintech, e-sports, and delivery technology increased during 2021," the report stated. Al-Mannai, in the ICT Landscape & Digital Trends 2022 report, emphasized that Qatar National Vision 2030 "highlights the transformative role that the ICT sector must play in realizing this bright, ambitious future." He said: "The sector will enable Qatar's growth, solidifying the foundation of a new knowledge-based economy powered by digital tools. ICT can be the power engine that brings forth new ways of living and doing business, sustainably in an environment where Qatar can further lead and grow." According to al-Mannai, CRA's Strategy 2020-2024 was designed to support Qatar National Vision 2030 and national development strategies by fostering the ICT sector in Qatar. "The CRA's strategy has set an ambitious target to achieve 50% growth in the IT industry by 2024, with part of this growth to be driven by multiple e-government and smart city initiatives," he stressed. The ICT Landscape & Digital Trends 2022 report stated that Qatar's ICT sector currently contributes 2.7% to the country's non-hydrocarbon real GDP. "Although less than other GCC states and advanced ICT economies, this share has been growing in recent years: the sector's real GDP has grown at a 2.5% CAGR between 2016 and 2021 vs 0.3% of other non-hydrocarbon sectors. This trend is likely to continue growing thanks to the government's strong commitment to catalyze the sector. For example, the CRA's 2020-2024 strategy sets a 50% growth objective for the IT segment," the report stated. From a supply perspective, the report noted that the telecommunications segment "is mature and concentrated around a limited number of players," also due to the relatively small size of the country. "Starlink Satellite Qatar, owned by SpaceX, has recently been licensed to provide satellite internet services, thus adding to existing service providers Ooredoo and Vodafone Qatar," it said. In terms of market landscape, the report stated: "As much as Qatar has developed its ICT infrastructure to global standards and further improve it through data centers and cloud connectivity, two major global digital players have entered the local market and will further shape up the nation's digital landscape: Microsoft has recently established its global data center node in Qatar, and Google is in the process of following suit. "Furthermore, Google has just been awarded a framework agreement for cloud computing services for the Qatari public sector. Such market developments are promising to deliver the ambitious cloud-first and digital growth targets of the government and position Qatar as a competitive regional hub." The report stated that Qatar boasts state-of-the-art mobile and fixed connectivity infrastructure, including near-universal 4G population coverage (~96% 5G coverage and 99% fiber coverage) and mobile speeds "among the best globally." On investment and funding, the report said: "Around two-thirds of ICT businesses surveyed expect to increase their investments in Qatar within the next three to five years. This continues a recent trend that saw, for example, Ooredoo and Vodafone Qatar investing in annual CapEx exceeding QR1bn since 2017, and FDI CapEx inflows to the ICT sector growing substantially." "Qatar's government is already leading the way in digital transformation, and as we revamp the nation 's digital agenda and are about to unveil an ambitious roadmap for the digital economy, expectations for the local ICT industry are also growing substantially. These mounting expectations are only natural, given the growing demand for digital innovation," al-Mannai also said. (Gulf Times)

International

- **US consumer spending edges up in May; inflation still high -** US consumer spending slowed sharply in May, but persistently strong underlying inflation pressures could compel the Federal Reserve to resume raising interest rates next month. The personal consumption expenditures (PCE) price index gained 0.1% in May after rising 0.4% in April, data from the Commerce Department showed Friday. In the 12 months through May, the PCE price index advanced 3.8% after climbing 4.3% in April. Excluding the volatile food and energy components, the PCE price index gained 0.3% after rising 0.4% in the prior month. The so-called core PCE price index increased 4.6% on a year-on-year basis in May after advancing 4.7% in April. The Fed tracks the PCE price indexes for its 2% inflation target. (Reuters)

- **Yellen sees strong job market, lower inflation, even as US economy cools -** US Treasury Secretary Janet Yellen said on Friday that the US economy is on a path to maintain a strong labor market while reducing inflation, even if the economy cools a bit more. Yellen said in prepared remarks at a residential solar power company in New Orleans that strong household and business balance sheets will serve as a source of US economic strength along with a continuing surge in US factory construction. Yellen, who is making a campaign-style visit to New Orleans to tout President Joe Biden's economic agenda, said that the US economy has defied persistent predictions of recession this year, proving more resilient than expected. "I continue to believe that there is a path to reducing inflation while maintaining a healthy labor market. Without downplaying the significant risks ahead, the evidence that we've seen so far suggests that we are on that path," Yellen said at a PosiGen Solar facility. Yellen said business executives have increasingly voiced confidence in the US economy. "While there are parts of our economy that are slowing down, households are spending at a robust pace and businesses continue to invest," she said.

"Going forward, I expect the current strength of the labor market and robust household and business balance sheets to serve as a source of economic strength, even if our economy does cool a bit more as inflation falls." (Reuters)

- **Fed's path to more tightening a little less sure after inflation data -** The Federal Reserve is seen slightly less locked into a July interest rate hike, traders bet on Friday, after a government report showed price pressures eased slightly in May but remained far above the Fed's goal. Inflation by the Fed's preferred personal consumption expenditures index rose last month at a year-on-year pace of 3.8%, data Friday showed, easing from April's 4.4% pace. Underlying core inflation rose 4.6%, a touch less than the 4.7% economists expected. Futures tied to the Fed's policy rate, which had before the data priced in a nearly 90% chance of a July Fed rate increase, now reflect about an 85% probability. (Reuters)
- **Fed's Powell signals fresh US rate hikes ahead -** US central bankers are likely to resume their rate hike campaign after a break earlier this month, Federal Reserve Chair Jerome Powell signaled on Thursday, as a fresh slew of stronger-than-expected US economic data underscored why more monetary tightening is likely needed. "We did take one meeting where we didn’t move," Powell said during an event held by the Spanish central bank in Madrid. "We expect the moderate pace of interest rate decisions to continue." The labor market, with unemployment at 3.7%, is very tight, Powell noted. Underlying inflation, while down from its peak last year, is still running at more than twice the Fed's 2% target. "Inflation pressures continue to run high, and the process of getting inflation back down to 2 percent has a long way to go," Powell said. Earlier this month, after 10 straight rate hikes, Fed policymakers opted to leave the policy rate unchanged at the 5%-5.25% range to give time to assess the still-to-come impact of rate hikes to date and from credit tightening stemming from the banking stresses that emerged in March. But "a strong majority" of Fed policymakers expect they will need to raise interest rates at least twice more by year's end, Powell said Thursday. On the surface he was merely restating Fed policymaker forecasts published in mid-June, but his remarks served to emphasize the likelihood of that trajectory. The Fed will hold four more policy meetings this year, with the next one on July 25-26. (Reuters)
- **Fed's Powell: we are still monitoring the banks' situation very carefully -** The US Federal Reserve is still monitoring the situation in the banking industry "very carefully" to address potential vulnerabilities, such as in the commercial real estate sector, Fed Chair Jerome Powell said on Thursday. "We are very reluctant to say" if the sector's turmoil is over, Powell said during an event held by the Spanish central bank in Madrid. "Our job is to worry about things." Powell acknowledged the sector still had some funding vulnerabilities - as seen in March during the banking crisis in which deposit runs caused the Silicon Valley Bank (SVB) and two other US lenders to fail - though "deposit flows have settled down." SVB and the two other banks found themselves on the wrong end of Fed interest rate hikes, suffering large unrealized losses on their US Treasury bond holdings, which spooked uninsured depositors. Powell said that overall, bank capital was "strong and liquidity is very, very high", as seen in the Federal Reserve's annual health check on Wednesday. Regarding the commercial real estate sector, Powell acknowledged there was "a valuation adjustment going on, mainly about offices. Work-from-home has changed the story," he said, though risks were not concentrated in the large banks. The Fed chair also said that US regulators hadn't addressed the issues with money market funds yet. "There were some big inflows into money market funds during the March crisis. Those have stopped," he said. During any tightening cycle, people tend to move money over time from bank deposits into money market funds due to higher yields. "This causes banks to tighten lending conditions and that, of course, is a desired result. As long as that's an orderly process, it's expected as part of what we do," Powell said. (Reuters)
- **US weekly jobless claims post biggest drop in 20 months as economy shows stamina -** The number of Americans filing new claims for unemployment benefits fell last week by the most in 20 months, the latest sign of the economy's resilience that could push the Federal Reserve to resume raising interest rates in July. The unexpected decline in applications reported by the Labor Department on Thursday reversed a recent jump, which had left initial jobless claims over the prior three weeks hovering at levels last seen in October 2021. The elevated readings had led some economists to conclude that layoffs were picking up as the economy begins to feel the heat from the Fed's hefty rate hikes. Persistent labor market strength is helping the economy to defy predictions of a recession by boosting wages. The economy grew faster than previously estimated in the first quarter, other data showed on Thursday, thanks to robust consumer spending. It appears to have maintained the momentum in the second quarter, with reports this month showing better-than-expected employment growth in May as well as retail sales gains and a surge in housing starts. "The economy is currently displaying genuine signs of resilience," said Gregory Daco, chief economist at EY-Parthenon in New York. "This is leading many to rightly question whether the long-forecast recession is truly inevitable, or whether a soft landing of the economy is possible." Initial claims for state unemployment benefits decreased 26,000 to a seasonally adjusted 239,000 for the week ended June 24. The drop was the largest since October 2021. Economists polled by Reuters had forecast 265,000 claims for the latest week. Recent policy changes in Minnesota making tens of thousands of hourly paid school workers eligible for state unemployment benefits during the summer break accounted for some of the increase in claims in the first three weeks of June. Suspected fraud in Ohio was also another factor. Unadjusted claims dropped 17,843 to 233,048 last week. Claims tumbled 10,108 in California and plunged 9,187 in Texas. They dropped 3,263 in Pennsylvania, while Minnesota reported a 2,387 decline. These decreases offset a 6,013 surge in Connecticut and a 5,206 jump in New Jersey. Claims could become volatile in July, when automakers typically idle plants to retool for new models. But these temporary plant closures do not always happen around the same time, which could throw off the model that the government uses to strip out seasonal fluctuations from the data. (Reuters)
- **UK economy makes slow start to 2023 as inflation weighs -** Britain's economy made a lackluster start to 2023 as inflation ate into households' disposable income, official figures showed on Friday, and economists see a risk of recession ahead as higher interest rates keep up the pain even as inflation eases. The economy grew by just 0.1% in the first three months of the year, unchanged from an initial estimate by the Office for National Statistics' (ONS) and leaving output 0.5% lower than it was in the final quarter of 2019, before the COVID-19 pandemic. Households dug into their savings - although the overall saving ratio remained higher than before the pandemic - and the cost of living increased faster than incomes. The squeeze on households looks set to continue, as the Bank of England raised interest rates to a 15-year high of 5% in June and investors see little sign that it is about to end its tightening cycle. "The final Q1 2023 GDP data confirms that the economy steered clear of a recession at the start of 2023. But with around 60% of the drag from higher interest rates yet to be felt, we still think the economy will tip into one in the second half of this year," said Ashley Webb, an economist at consultancy Capital Economics. While the BoE forecast last month that inflation would drop to just over 5% by the end of the year, BoE Governor Andrew Bailey said last week that inflation was proving stickier than expected after it held at 8.7% in May. Britain's economic recovery since the pandemic has been much slower than almost every other big, advanced economy, though Germany has struggled too and its economy in the first quarter was also 0.5% smaller than before the pandemic. In annual terms, Britain's economy had grown just 0.2% by the end of the first quarter. Some economists said the weak GDP data stood at odds with more robust trends for jobs, wages and consumer confidence, and further sluggish growth was more likely than outright recession. (Reuters)
- **UK mortgage rates rise again, turning screw on homeowners and buyers -** Major British lenders on Thursday announced another increase in mortgage rates offered via brokers, pushing many products above the 6% mark in painful news for many homeowners and potential buyers. Lenders have re-priced home loan offerings repeatedly in recent weeks in a scramble to keep up with soaring funding costs, spurred by expectations of more interest rate hikes from the Bank of England as it battles stubbornly high inflation. Barclays, NatWest and Virgin Money informed brokers that rates on many mortgage offerings will rise again on Friday, according to emails seen by Reuters. Nationwide Building Society,

another major lender, raised rates on products offered via brokers earlier on Thursday. Two-year swap rates - a key determinant of mortgage borrowing costs - have soared by 0.83 percentage points over the course of June. If sustained until the end of Friday, it would mark the biggest one-month increase since May 1989 - apart from during the market turmoil triggered by the economic agenda of former Prime Minister Liz Truss late last year. Mortgage rates of 6% represent the same financial burden from repayments as they did in the late 1980s, even though mortgage rates were around 13% then, according to housing market analyst Neal Hudson, founder of consultancy BuiltPlace. Mortgagors today borrow much greater sums against their income - a ratio that has risen from 2.0 in the late eighties to around 3.5 today - while changes to taxes and mortgage products have also altered the equation. Bank of England data published on Thursday showed lenders approved more mortgages than expected in May but for the first time since records started in 1986, the value of mortgage lending contracted for a second month running. (Reuters)

- **Nationwide: Annual UK house prices decline by most since 2009 -** British house prices fell by the most since 2009 in the 12 months to June, mortgage lender Nationwide said on Friday, although monthly data showed a small, unexpected rise. Compared with June last year, the average house price was down 3.5% after a 3.4% annual fall in May, Nationwide said. Prices rose by 0.1% in June from May. Analysts polled by Reuters had expected prices to fall by 0.3% in month-on-month terms and by an annual 4.0%. (Reuters)
- **Bank of England's Tenreyro warns against rate rises, says cuts may be needed -** The Bank of England has no need to raise interest rates further to curb inflation, and risks having to make a sharp U-turn if it tightens policy anymore, BoE rate-setter Silvana Tenreyro said in her last speech as an official at the central bank. Tenreyro has opposed raising interest rates since December, and voted against the BoE's rate rise last week, which was her final meeting as an external member of the Monetary Policy Committee after two three-year terms. "Overall, I ... judged that the tightening already in the pipeline would be sufficient to bring inflation back to, and most likely below, the target," Tenreyro said in a speech hosted by the Society of Professional Economists and the Resolution Foundation think tank on Thursday. Tenreyro said "very little" of the future pain from the BoE's recent rate rises had shown up yet in economic data, and the central bank was likely to find it had over-tightened. "I would expect loosening will be needed to meet the inflation target. And the more we raise rates now, the earlier and faster we will need eventually to cut rates," she said. By contrast, on Wednesday BoE Governor Andrew Bailey cast doubt on expectations among some investors that the BoE might have to start cutting rates less than a year from now. Last month the BoE forecast inflation would drop to just over 5% by the end of this year and below its 2% target by early 2025, but some BoE policymakers have doubts about the models used to make these forecasts and fear inflation will be higher. Bailey said last week the central bank had needed to raise interest rates by half a percentage point to 5% because of signs that inflation was proving stickier than expected, after unexpectedly strong wage and inflation data. Tenreyro said this data could imply "a slightly slower decline in domestic inflationary pressures" but was outweighed by a sharp tightening in financial conditions, as market interest rates had soared in recent weeks. "The disinflationary impact of this would be more than sufficient to offset the recent data news, even in the unlikely event that all of that (inflation) news proved to be persistent," she said. "Forward-looking indicators had pointed towards falls in both pay growth and core-goods inflation over the rest of the year," she added. British inflation surged last year to a 41-year high of 11.1%, after Russia's invasion of Ukraine caused a surge in European natural gas prices. Tenreyro said recent declines in energy and commodity prices would put this process into reverse, and that by the end of this year British inflation would be on a similar downward trend to the United States and the euro zone. "This unwind will take a bit longer in the UK, but eventually we will see this shock unwinding from the cost base of companies," she said. (Reuters)
- **Euro zone inflation falls again in June as energy prices tumble -** Inflation in the euro zone extended its decline in June as the cost of fuel tumbled, more than offsetting an acceleration in prices for services, a preliminary reading showed on Friday. The data, pointing to only the smallest drop in underlying inflation, was unlikely to sway the European Central Bank, which has penciled in a ninth consecutive rate hike for July and is eyeing one in September too. Inflation in the 20 countries that share the euro fell to 5.5% this month from 6.1% in May, chalking up its seventh decline in the last eight months, with Germany the only country to report an increase, Eurostat's flash estimate showed. "Inflation is still high and sticky but momentum is moderating," said Frederik Ducrozet, head of macroeconomic research at Pictet Wealth Management. But "core" inflation excluding energy and food, which ECB policymakers see as a better gauge of the underlying trend, only edged lower, to 6.8% from 6.9% - far from the sustained drop the central bank wants to see. "The core rate is likely to remain well above the 5% mark in the next months which will (require) further rate hikes by the ECB," said Ulrike Kastens, an economist for Europe at DWS. Services were the only category where price growth picked up - to 5.4% from 5.0% - demonstrating consumers' continued resilience in the face of higher borrowing costs, thanks largely to a strong labor market. (Reuters)
- **German EU-harmonized consumer prices rise by 6.8% in June -** German consumer prices, harmonized to compare with other European Union countries, rose by a more-than-anticipated 6.8% on the year in June, preliminary data from the federal statistics office showed on Thursday. Compared to May, prices increased by 0.4%, it added. Analysts had expected harmonized data to increase by 0.3% on the previous month and grow by 6.7% on an annual basis. The statistics office offers a breakdown on its website. (Reuters)
- **German inflation bucks downward trend in June with higher-than-expected rise -** German inflation rose more than expected in June, interrupting a steady decline since the start of the year in what analysts say was just a blip. German consumer prices, harmonized to compare with other European Union countries, rose by a higher-than-anticipated 6.8% on the year in June, preliminary data from the German statistics office showed on Thursday. Analysts had expected an increase of 6.7%. By comparison, inflation fell sharply in Spain to 1.6% and to 6.7% in Italy. French and euro zone inflation data is due on Friday. Economists polled by Reuters expect euro zone inflation to fall to 5.6% in June from 6.1% in May. “The June figures in Germany only interrupt the downward trend in the inflation rate and do not mark its end,” said Ralph Solveen, senior economist at Commerzbank. Non-harmonized consumer prices rose 6.4% in June year-on-year, following a 6.1% rise in the previous month. Compared to May, prices increased by 0.4% in EU-harmonized terms, the office added. Analysts had expected an increase of 0.3%. The year-on-year rebound in German inflation midway through the second quarter is almost exclusively due to base effects from last year’s temporarily reduced rail fare, said Claus Vistesen, chief eurozone economist at Pantheon Macroeconomics. In June of last year, in a bid to counter rising energy prices, the German government cut taxes on fuel and introduced a public transport ticket allowing travel across the country for 9 euros a month, causing German inflation to dip that month. A new subsidized travel ticket that covers all local public transport has replaced last summer’s ticket, but at 49 euros ($53) per month it is significantly more expensive. The data from Germany, the euro zone’s biggest economy, comes as the European Central Bank is still looking for evidence that underlying inflation has turned a corner. Germany’s core inflation rate, which excludes volatile items such as food and energy, is expected to be at 5.8% in June, up from 5.4% in May. “However, a closer look at the data suggests that the disinflationary trend will gain new and even stronger momentum after the summer,” said Carsten Brzeski, global head of macro at ING. Economists expect a decline in headline inflation over the summer, as energy and food inflation soften. However, the core rate will probably remain significantly above the ECB target of 2% for an extended period of time, Commerzbank’s Solveen said. The ECB has lifted rates by a record 400 basis points over the past year and is forecast to raise rates in July and September. “The ECB will not change its tightening stance until core inflation shows clear signs of a turning point and will continue hiking until then,” Brzeski said. (Reuters)
- **China's factory, service sectors stumble as economic malaise broadens -** China's factory activity declined for a third straight month in June and weakness in other sectors deepened, official surveys showed on Friday, adding pressure for authorities to do more to shore up growth as demand

falters at home and abroad. The world's second-largest economy grew faster than expected in the first quarter largely due to a strong post-COVID rebound in consumption, but policymakers have been unable to sustain the momentum in the second quarter. Services sector activity for June also recorded its weakest reading since China abandoned its strict COVID curbs late last year, data from the National Bureau of Statistics showed. The official manufacturing purchasing managers' index (PMI) inched up to 49.0 from 48.8 in May, staying below the 50-point mark that separates expansion from contraction and in line with forecasts. The non-manufacturing PMI fell to 53.2 from 54.50 in May, indicating a slowdown in service sector activity and construction. (Reuters)

Regional

- **EIA: Opec's export revenue surges 43% in 2022 -** Opec's export revenue surged by nearly 43% last year as Russia's war in Ukraine resulted in higher crude prices, according to the US Energy Information Administration. The group's net oil export revenue rose to $888bn in 2022, from $622bn a year earlier, the statistical arm of the US Department of Energy has said. "The increase in net export revenue in 2022 is mostly attributable to higher crude oil prices, and to a lesser degree to higher petroleum liquids production," the EIA said. Brent, the benchmark for two thirds of the world's oil, surged to nearly $140 a barrel after Moscow's military offensive against Ukraine began in February last year. The international benchmark has since given all up of its gains and is now trading below $80 a barrel as Russian crude supply remains steady and economic slowdown concerns weigh on investor sentiment. Top crude exporter Saudi Arabia's export revenue stood at $311bn in 2022, representing more than a third of the group's total revenue. Export revenues of Iran and Venezuela, who are exempt from Opec+ production quotas, rose by $15bn and $2bn, respectively, year-over-year, the EIA said. However, these projections do not consider possible changes to discounts that Iran and Venezuela offered to their buyers, it added. The EIA expects Opec's net oil revenue to fall to $656bn in 2023, largely due to Opec+ production cuts and lower crude prices. The group's total production this year is forecast to drop to 33.5mn bpd as Brent crude averages $80 a barrel, the EIA said. On June 4, top crude exporter Saudi Arabia announced a unilateral output cut of 1mn bpd for July and said it could be extended. The Opec+ alliance of 23 oil-producing countries has said it will stick to its existing output cuts until the end of 2024. The group has total production curbs of 3.66mn bpd, or about 3.7% of global demand, in place, including a 2mn bpd reduction agreed last year and voluntary cuts of 1.66mn bpd announced in April. "We forecast global oil inventories to fall slightly in each of the next five quarters. We expect these draws will put some upward pressure on crude oil prices," the EIA said. This month, Opec raised its 2023 oil demand growth forecast for China, the world's largest crude importer, and said the recent economic slowdown in the country may persist until the middle of the year. Global oil demand is projected to grow by 2.3mn barrels per day to 101.9mn bpd this year, the group said in its monthly oil market report. Opec+ is fighting against "uncertainties and sentiments" in the market that is behaving against the fundamentals and forcing oil producers to take precautions, Prince Abdulaziz bin Salman, Saudi Arabia's Energy Minister, said at an event earlier this month. "I think the physical market is telling us something and the futures market is telling us something else." (Qatar Tribune)

- **OPEC sees global oil demand rising to 110mn barrels per day by 2045 -** OPEC expects global oil demand to rise to 110mn barrels per day (bpd) and overall energy demand to rise 23% by 2045, its Secretary General Haitham Al Ghais said on Monday. (Reuters)

- **Saudi citizens unemployment at 8.5% in Q1 2023 -** Unemployment among Saudi citizens increased to 8.5% in the first quarter of 2023, compared to 8% in the fourth quarter of 2022, the Saudi general authority for Statistics said on Thursday. (Zawya)

- **Crown Prince: Saudi Arabia is making in NEOM the new civilization of tomorrow -** Saudi Crown Prince and Prime Minister Mohammed bin Salman said that Saudi Arabia strives, through the NEOM project, to create the new civilization of tomorrow and encourage other nations to keep doing similar things for the benefit of the planet. "Saudi Arabia is creating a new way of building cities and a new way of living. The people of Saudi Arabia are very much hopeful of this project as it would meet their growing demand in future," he said while appearing in a documentary shown by Discovery Channel on Monday. Accompanied by the senior officials and renowned architects and designers behind 'THE LINE' project, Prince Mohammed bin Salman unveiled the salient features of the project, the first of its kind in the world. THE LINE within NEOM is Saudi Arabia's futuristic city with no roads, cars or emissions. It is considered as the biggest infrastructure project in history, promising a revolution in urban living. Reacting to taking advantage of the huge potential of Saudi Arabia while implementing this unique project, the Crown Prince said: "We think about what kind of opportunity we have. We have the cash, we have the land, we have the stability, we have the good infrastructure, and we are the G20 country," he said. Regarding the motives for building such a unique city, the Crown Prince said that the population growth in Saudi Arabia will double from 33mn to about 50-55mn by 2030. "By that time, the population will reach a level of consuming the full capacity of the existing infrastructure of the Kingdom. This raises an important question that we need to create a new city," he said. Regarding the conceptualization of the 'THE LINE', Prince Mohammed said: "When we brought all these people together, I did not know what the outcome of it would be. The idea was amazing and it is huge and massive that I can't explain it in a smaller way," he said while emphasizing that the project will make money as it will draw big demand. "We started talking about a lot of ideas about the shape of 'THE LINE,' commencing with construction of a circuit and linking it to transportation, trains, etc., and we will start building it gradually until it is completed in 2030. We brainstormed exchanging ideas, worked with many teams, and launched a competition for the best designers of the world," he said while noting "all of them provided us with city models that are in line with the available models, but with better solutions, except for one designer who adopted the idea and said to turn the circle into a straight line." "All the existing models of cities are based on problems and solutions and fixing problems all the time. Hence, we wanted not to follow that pattern and adopt a different and unique one, and that is 'THE LINE,' he said while emphasizing "the models are now complete and we are working to implement them." The Crown Prince noted that the city build is already underway with the first phase's completion is planned to align with the Vision 2030. The full 170 km long city will be built to the future. He pointed out that the north of the Kingdom of Saudi Arabia is an area that has not yet been discovered and has a diverse nature. "Northwest of Saudi Arabia is almost untouched and empty. It has mixed up topography, mountains, valleys, oases, dunes, beaches, islands, and corals, and it is the right place for skiing and diving." Referring to the artistic features of the city, the Crown Prince said that engineers and designers are not enough without art and Saudi Arabia does not want to create a city without having the whole city as a piece of art. Speaking about the leisure time for those involved in various phases of the implementation of the project, the Crown Prince said: "I have an American friend who moved to my army and when my army get out of their office, immediately they enjoy vacation. Whenever they engage in their work, they are on an excitement of finishing their job and go for an entertainment, whether it is cultural and sport events in NEOM," he said. In response to skepticism about Saudi Arabia's completion of its huge projects, the crown prince said, "let them speak, and we will continue to prove them wrong." (Zawya)

- **Saudi Arabia's GDP growth set to slow to 2.4% this year due to lower oil production -** Saudi Arabia's overall GDP growth is expected to slow from 8.9% in 2022 to 2.4% in 2023, dragged down by an expected 3% decline in average oil production due to the impact of OPEC+ sponsored cuts to the kingdom's production targets, according to a report by the Institute of International Finance. "However, we expect non-oil growth to remain robust at 4.7% in 2023," said Garbis Iradian, the IIF's chief economist for the MENA region. The ongoing de-escalation of tensions in the region, following China's brokered rapprochement between Saudi Arabia and Iran, could encourage additional domestic and foreign investment, raising potential growth beyond the short term, he added. Oil GDP accounts for 43% of Saudi Arabia's total GDP. Assuming oil prices average $80 per barrel, with the OPEC+ cuts leading to a small decline in export volumes, the kingdom's current account will narrow to 4.3% of GDP in 2023. "Our estimates show that the external breakeven oil price, which balances the current account, is $67/barrel, while the fiscal breakeven oil price is $83/barrel for this year," he said. Despite the narrowing of the current account surplus, capital outflows from Saudi Arabia will continue to exceed non-resident capital inflows, the report said. Additionally, investments abroad by the PIF, the Saudi sovereign wealth fund, will continue to drive resident capital outflows, as outward FDI continues to exceed inward FDI. "We expect private non-resident capital inflows to increase from $11bn in 2022 to $44bn in 2023, driven largely by the issuance of international bonds." Preliminary data for the first five months of this year shows that FX bond issuance has already surpassed that of the entirety of last year. However, Saudi Arabia continues to enjoy sound financial footing. "A large current account and fiscal surpluses over the past two decades have increased public foreign assets and reduced debt. The sovereign default risk of the kingdom is one of the lowest among Emerging Markets while sovereign credit ratings remain very strong." Among downside risks to their outlook, the IIF included "lower oil production and prices than what we project as well as a slower implementation of reforms." While the PIF's involvement in major projects has stimulated the nonoil sectors in the past two years, there is a risk that heavy reliance on such public entities may lead to the emergence of an uneven playing field and inefficiency, it added. (Zawya)

- **Jeddah named host city for 2023 Club World Cup -** The 2023 Club World Cup will take place in Saudi Arabian city of Jeddah, soccer's world governing body FIFA said on Monday. The decision was made following a FIFA delegation visit to Jeddah last week to assess ongoing preparations for the tournament. "We are delighted that Jeddah, with its state-of-the-art facilities and reputation for hosting major international sports events, has been selected as host city for the FIFA Club World Cup," President of SAFF Yasser Al Misehal said. The tournament, which will be played from Dec. 12-22, will be held in Saudi Arabia for the first time, as previously announced in February. The 2023 edition of the Club World Cup will be the last of current format -- an annual competition with seven teams -- which will be discontinued before its expansion to a 32-team event to first be held in 2025 in the United States. (Reuters)

- **Saudi crude exports hit five-month low in April -** Saudi Arabia's crude oil exports slipped in April to a five-month low, data from the Joint Organizations Data Initiative (JODI) showed on Monday. Crude exports from the world's largest oil exporter fell to 7.316mn barrels per day (bpd) in April, down about 3% from the 7.523mn bpd in March. Monthly export figures are provided by Riyadh and other members of the Organization of the Petroleum Exporting Countries (OPEC) to JODI, which publishes them on its website. Saudi crude output was steady at 10.46mn bpd in April, while inventories rose by 1.98mn barrels to 149.4mn barrels. Domestic refineries processed 42,000 bpd less crude at 2.69mn bpd, even as exports of refined products rose by 75,000 bpd to 1.547mn bpd. Saudi Arabia this month pledged to make a deep cut to its output in July, on top of a broader OPEC+ deal to limit supply into 2024 and raised the prices of its Arab Light crude to Asian buyers in July to a six-month high. As a result, Asian refiners are likely to take less oil from Saudi Arabia for July and buy more spot cargoes, such as those from the United Arab Emirates, traders said. Saudi Arabia and other OPEC members have repeatedly said that they are not targeting a specific price for oil, yet some OPEC observers said that the organization needed higher oil prices because of accelerating inflation. (Reuters)

- **IMF: UAE's economic outlook remains positive, GDP to grow at 3.6% in 2023 -** UAE's gross domestic product (GDP) is projected to grow at 3.6% in 2023 as the economic outlook remains positive, supported by strong domestic activity, the International Monetary Fund (IMF) said in a statement on Monday. Non-hydrocarbon GDP is forecast to increase by 3.8% due to continued tourism activity and increased capital expenditure. However, the outlook faces significant global uncertainties, including weaker growth, tighter financial conditions, and geopolitical developments. The implementation of enhanced UAE reform efforts poses upside risks to medium-term growth, the IMF stated. Inflation has risen with global trends but is likely to ease to 3.4% in 2023. Fiscal and external surpluses are expected to remain high on the back of elevated oil prices, IMF said, adding banks are adequately capitalized and liquid overall. Yet, non-performing loans remain elevated, albeit down from recent peaks, and real estate prices have risen sharply in some segments. The IMF noted that advancement in Comprehensive Economic Partnership Agreements (CEPAs) will boost trade and integration in global value chains and attract foreign direct investment. (Zawya)

- **IMF applauds UAE's positive economic outlook -** The UAE's economic outlook remains positive, supported by strong domestic activity with the overall GDP projected to grow at 3.6% in 2023, the Executive Board of the International Monetary Fund (IMF) said on Monday. Following the the 2022 Article IV consultation with the UAE, the IMF's directors forecast 3.8% surge in non-hydrocarbon growth driven by continued tourism activity and increased capital expenditure. "Nevertheless, the outlook is subject to significant global uncertainties, including weaker growth, tighter financial conditions, and geopolitical developments." The IMF's board estimated the country's overall growth in 2022 to reach 6.9%, with non-hydrocarbon GDP growth of 5.3% while hydrocarbon GDP is expected to grow by 11.1%. Inflation has risen with global trends but is expected to ease to 3.4% in 2023. Fiscal and external surpluses, according to the IMF, are expected to remain high on the back of elevated oil prices. "Banks are adequately capitalized and liquid overall, but non-performing loans remain elevated, albeit down from recent peaks, and real estate prices have risen sharply in some segments," said the IMF. The IMF board has observed that the UAE has taken major efforts under the National AML/CFT Strategy and Action Plan to further strengthen the regulatory regime to ensure its effectiveness, in line with the enhanced monitoring under the Financial Action Task Force recommendations. Commending the implementation of enhanced reform efforts that posed upside risks to medium-term growth, the IMF said the UAE's strong reform efforts continue under the UAE 2050 strategies. "Advancement on Comprehensive Economic Partnership Agreements (Cepas) will boost trade and integration in global value chains and further attract Foreign Direct Investment (FDI)." In addition, the Washington-based Fund said the benefits of artificial intelligence and digitalization and investments in enabling infrastructure will further support economic diversification, foster a smooth energy transition, and help address vulnerabilities from global decarbonization efforts. "Long-term vulnerabilities from global decarbonization efforts are being addressed through commitments to climate initiatives and a balanced approach to energy transition." The IMF board commended the UAE's effective Covid response, timely policy actions, and structural reform implementation, leading to strong growth, further supported by high oil prices. However, in the context of significant global uncertainties and risks, the IMF encouraged the UAE authorities to further solidify the fiscal position and further strengthen the financial sector, diversify the economy, and continue implementing reforms necessary to achieve the nation's ambitious green transition goals. The IMF's board welcomed the ongoing development of trade and economic partnerships, which are expected to boost the UAE's productivity and competitiveness over time. They encouraged continued improvements in the collection and timely dissemination of economic data to buttress the authorities' reform efforts. The IMF noted that additional fiscal reforms would broaden and diversify the revenue base and support a smooth adjustment to a lower carbon future. It also stressed the importance of continuing efforts to improve fiscal transparency and strengthen governance and accountability by publishing general government, emirate- and federal-level fiscal data. "Although overall bank balance sheets remain healthy, continued close monitoring of financial stability risks and further strengthening of macroprudential frameworks is warranted, including given the high level of non-performing loans, tightening financial conditions, and banks' exposures to the real estate sector," the IMF board said. The Fund encouraged continued actions by the UAE to further strengthen the regulatory regime in line with the enhanced monitoring under the Financial Action Task Force. The IMF also welcomed the UAE's ambitious structural reform agenda, including significant investment in digital and green initiatives to further advance diversification and support a smooth energy transition to a lower carbon future. "These efforts could be further enhanced with additional measures to improve the business environment and modernise the labour market, including by continuing to encourage greater female participation," the IMF said. (Zawya)

- **Abu Dhabi's ADNOC awards Petrofac $700mn contract for new gas compressor plant -** Petrofac (PFC.L) said on Friday that Abu Dhabi National Oil Company (ADNOC) had awarded the London-listed oilfield services firm a $700mn contract to undertake work at the state oil giant's Habshan Complex. Petrofac Emirates won the contract, which involves the engineering, procurement and construction of a new gas compressor plant. (Reuters)

- **UAE: National banks provide $11.06bn in financing to commercial, industrial sectors over 12 months -** National banks in the UAE have increased their credit financing provided to the business and industrial sectors by AED40.6bn or 5.8%, as of the end of April 2023. The Central Bank of the UAE has released the latest statistics on credit financing, which show that national banks had provided AED737.3bn in credit to the business and industrial sectors, compared to AED696.7bn in April 2022. The statistics also show that national banks increased their credit balance for the two sectors by AED2.1bn or 0.3% in April, up from AED735.2bn in March. National banks gave 90% of their accumulated credit balance of AED818.9bn to the country's business and industrial sectors by the end of April, while foreign banks only provided 10% or AED81.6bn. By the end of April, banks in Abu Dhabi had provided AED365.6bn in credit to these sectors, banks in Dubai provided AED351.3bn, and banks in other emirates offered AED102bn. By the end of April, the business and industrial sectors received credit financing mostly from traditional banks, which provided AED675.5bn or 82.5% of the total, while Islamic banks contributed AED143.4bn or 17.5%. (Zawya)
- **UAE stocks gain $60bn in market value in H1 2023 -** The market value of local stock markets rose by some AED220bn in the first six months of 2023, boosted by higher demand from foreign investors and new listings. Four new listings boosted the market value of the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM), including ADNOC Gas and Presight AI in the ADX, and ADNOC Supply and Services and Al Ansari Financial Services in the DFM. The value of stocks traded on the UAE's two main exchanges rose by AED220bn in the first half of 2023, reaching AED3.426tn by June. The ADX accounted for AED2.774tn, while the DFM accounted for AED652.1bn. In the first half of this year, trading activities in local stocks were valued at more than AED218bn. Most of this amount, or AED171.6bn, went to the ADX, while the rest, or AED 46.4bn, went to the DFM. The total number of shares traded was around 53bn, split between 27.6bn in Abu Dhabi and 25.4bn in Dubai. Both markets completed over 2.5mn transactions during this period. (Zawya)
- **UAE: Demand for travel insurance on the rise as more people travel -** Demand for travel insurance in the UAE is set to double as passengers have become more cautious and aware in the post-pandemic period, as well as the requirement of countries to have insurance prior to submitting visas. Industry executives noted that the cost of travel insurance is, for the most part, remaining stagnant this year. "Though Covid-19 is behind us, people are still cautious that things can go wrong while they are travelling. A lot of people who were not very keen to buy travel insurance earlier, now consider travel insurance to be an important aspect of their journey as they have become more aware of the risks associated with cancellation, financial and emotional risks. Secondly, the number of people travelling has increased as well," said Neeraj Gupta, CEO, Policybazaar.ae. "We are seeing a 65% increase in travel insurance demand year-on-year and 40-45% on a month-on-month basis," he added. The UAE's travel sector has bounced back strongly, lifting demand for travel insurance as well ticket prices. As a result of revenge travel, demand for leisure and business trips has grown exponentially. Gupta added that the majority of consumers buy insurance due to concerns surrounding trip cancellations, sickness, the fear of baggage loss, and the fear of falling ill abroad during the trip. Although the majority of packages cover Covid-19, customers still make inquiries to ensure that they cover the pandemic. "Most people still ask whether the plan covers Covid-19 or not." Hitesh Motwani, chief marketing officer, Insurancemarket.ae, added that travel insurance demand usually doubles during the summer, as many residents visiting Europe opt for coverage required in accordance with Schengen visa regulations. "[The] primary reason for UAE residents opting for travel insurance now is due to visa regulations. Almost all the countries, especially those in Europe, require it as part of the visa process," he said. Cost stays stagnant: Motwani stated that travel insurance costs have remained stagnant over the past couple of years. "In fact, they have reduced by around 10% over the last year, especially since Covid-19 cases are down. Earlier in 2021, since the Covid-19 cover was introduced, the average premiums saw an increase, but it has come down since then," he added. Gupta added that there is not much change in terms of the cost of travel insurance this year. "For example, travel insurance cost to a 4-5-day Georgia trip costs around Dh60-70 and Dh150 to the UK for a 10-15 day tour," he added. (Zawya)
- **Construction boom drove Abu Dhabi's non-oil GDP to 9-year high in Q1 2023 -** Abu Dhabi's gross domestic product (GDP) grew by 3.9% year-on-year (YoY) in the first quarter of 2023, driven by the strong performance of non-oil economic activities, estimates released by the Statistics Centre – Abu Dhabi (SCAD) showed on Monday. Non-oil GDP grew by 6.1% YoY during the first three months, driven by remarkable performances in construction, wholesale and retail trade, transportation and storage, and financial and insurance services sectors. According to SCAD estimates, the non-oil GDP (at constant prices) exceeded the highest quarterly value of the past nine years, reaching AED 146bn in the first quarter of 2023, compared to AED 137.7bn in the first quarter of 2022, as the total GDP reached AED 276.6bn. The outstanding growth took the contribution of non-oil activities to the total GDP to its highest level in eight years at 52.8% despite mounting challenges in the global landscape. Ahmed Jasim Al Zaabi, Chairman of Abu Dhabi Department of Economic Development, stated that the emirate is committed to strengthening its economic scene by achieving a strong, stable, smart and sustainable knowledge economy. (Zawya)
- **Abu Dhabi unveils plans to reach 24mn visitors in 2023 -** The Department of Culture and Tourism Abu Dhabi (DCT Abu Dhabi) has outlined its roadmap for growth in 2023, planning to increase overall visitation to more than 24mn, from 18mn in 2022. DCT Abu Dhabi's research reveals that culture was the primary reason for travel for almost half (47%) of international tourists. With the rise of the culture-seeker segment, about 4mn visitors are expected at DCT Abu Dhabi's cultural sites this year – more than 1mn additional visitors compared with the previous year. Saood Al Hosani, Undersecretary at DCT Abu Dhabi, said the plans to promote and protect the emirate follow a strong 2022 performance that demonstrated innovation, resilience and integration of Abu Dhabi's culture and tourism sectors. Al Hosani said: "With culture at the heart of everything we do, we have set bold and ambitious targets for 2023 as we promote, protect and progress Abu Dhabi and share it with the world. We are proud to share some of our 2022 results, which powerfully demonstrate how we re-ignited the engine of growth through resilient culture and tourism sectors, with visionary leadership and key partnerships across the different creative industries. "We are progressing Abu Dhabi by creating new job and career opportunities and enabling growth across the culture sector throughout the culture and creative industries (CCI) while enabling business and leisure tourism to thrive. Our purpose is to share Abu Dhabi with the world and enrich lives." With the promotion and protection of culture central to its mandate, DCT Abu Dhabi is building on the legacy of the late Sheikh Zayed bin Sultan Al Nahyan, the UAE's Founding Father, to strengthen national identity, nurture talent, create better awareness of Emirati heritage and values, and develop a robust and innovative culture scene. The department continues to develop policies to preserve Abu Dhabi's heritage, the emirate's museums and culture sites and to curate visual and performing arts programs, attracting a diverse audience from the UAE, the region and the world. This year, DCT Abu Dhabi plans to create more than 300 jobs in the fast-growing e-gaming industry. The target will be spread across more than 20 new companies with potential for significant expansion, to drive a successful gaming and e-sports ecosystem in the UAE capital. DCT Abu Dhabi also promotes and protects the Arabic language, with the Abu Dhabi Arabic Language Centre (ALC) promoting Arabic proficiency among the UAE community, while supporting the growth of the Arabic publishing industry through key projects like Kalima and Isdarat. ALC's 2023 goals to attract increased visitation to book fairs and festivals. Al Hosani said: "All of these plans contribute to our position as a key platform for culture and creativity, where thought leadership, cross-cultural exchange, and innovation thrive. Central to this, we are proud to continue the development of key museums for Abu Dhabi, such as Zayed National Museum, Natural History Museum Abu Dhabi and Al Ain Museum, while also hosting cultural events such as the upcoming Culture Summit Abu Dhabi later this year. In this sixth edition we will once again

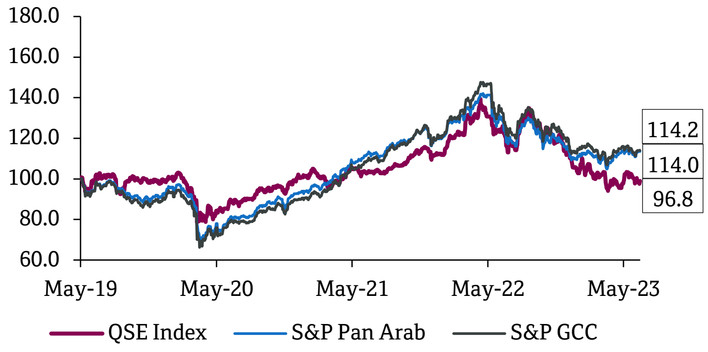
convene leaders from the field of arts, heritage, media, museums, public policy and technology – identifying ways in which culture can transform societies and communities worldwide." To support the target of more than 24mn visitors in 2023, the destination offering continues to grow, with the recent opening of many new attractions such as SeaWorld Yas Island, Abu Dhabi, Pixoul Gaming, Adrenark Adventure and Snow Abu Dhabi. (Zawya)

- **India, UAE sign agreement to fast-track customs clearances -** India and UAE have signed a mutual recognition arrangement (MRA) for authorized economic operators (AEOs) of both countries, India's Central Board of Indirect Taxes and Customs (CBIC), said. The AEO program enables customs administration to identify safe and compliant exporters and importers and to provide them better facilitation, CBIC said in a tweet. Under MRA, customs authorities recognize AEOs of both countries, which helps expedite customs clearances. Local media reported earlier that India is seeking to conclude an MRA with the UAE to allow nurses, company secretaries, chartered accountants and dentists, among others, to gain faster entry to the UAE and other Gulf countries. In May 2022, the UAE and India implemented the Comprehensive Economic Partnership Agreement (CEPA) to boost bilateral trade and economic ties. Bilateral non-oil trade reached $50.5bn from May 2022 to April 2023, a 5.8% increase year-on-year, according to initial figures from the UAE Ministry of Economy. (Zawya)
- **UAE banks record credit growth despite interest rate hike -** Credit growth in the UAE's banking sector, a key indicator of overall economic growth, surged to almost Dh2.0tn in the first quarter despite rising interest rates, signifying the resilient trend in the business sector. Gross credit showed a 0.9% quarter-on-quarter (q-o-q) increase, amounting to Dh1.895.8tn, while customer deposits rose by 3.8% q-o-q and 14.9% y-o-y, reaching Dh 2,306.0bn. Total assets of banks operating in the country increased by 2.6% q-o-q, reaching Dh3.7647tn by the end of the first quarter of 2023, the Central Bank of the UAE (CBUAE) said in a report. When credit grows, consumers can borrow and spend more, and enterprises can borrow and invest more. A rise of consumption and investments creates jobs and leads to a growth of both income and profit. Corporate credit shocks influence GDP growth mainly through investment, while consumer credit shocks are associated with private consumption. Interest rate in the UAE averaged 1.49% from 2007 until 2023, reaching an all-time high of 5.15% in May 2023 and a record low of 0.15% in July 2021. The CBUAE report provides insights into the banking sector, including the number of banks operating in the UAE. At the end of the first quarter of 2023, there were 22 locally incorporated banks, while the branches of these banks decreased to 494. The number of electronic banking service units increased to 47, and the cash offices remained constant at 21. The capital adequacy ratios of banks operating in the UAE, indicating the amount of capital in relation to risk-weighted exposures, increased by 0.5% q-o-q, reaching Dh430.7bn by the end of the first quarter as the total Capital Adequacy Ratio stood at 17.8%, well above the prescribed requirements. In the first quarter, the Central Bank's foreign assets increased by 8.8% q-o-q, reaching Dh537.4bn. The report also highlights the performance of financial markets, with the Abu Dhabi Financial Market Index falling by 6.7% q-o-q and the Dubai Financial Market Index increasing by 1.6% q-o-q during the same period. Resident deposits increased by 4.1% q-o-q, settling at Dh2.093tn, while non-resident deposits rose by 0.4% q-o-q, amounting to Dh213.4bn. Gross assets of Sharia-compliant banks operating in the UAE also recorded strong growth to hit Dh650bn by the end of Q1-2023, an annual increase of 7.31%, equivalent to nearly Dh44.3bn, from 605.7bn in March 2022. The apex bank's statistics reflect an increase in Islamic banks' credit to Dh400.2bn at the end of March 2023, an annual growth of 2.51% compared to nearly Dh390.4bn in March 2022, and a month-over-month increase of 0.91%, from Dh396.6bn in February. Islamic banks' deposits increased to Dh453.4bn in March 2023, an annual increase of 6.2%, from nearly Dh427bn in March 2022. The total investments of Islamic banks amounted to Dh111.5bn by the end of March 2022. In the meantime, the UAE-based conventional banks had total assets of Dh3.115tn, up 14.1% from Dh2.73tn in March 2022. These banks accounted for around 82.7% of the total assets of the UAE's banking sector by end of March 2023, or Dh3.765tn, while Islamic lenders held 17.3%. (Zawya)
- **Dubai's population crosses 3.6mn; marks 2.3% growth in Q1 2023 -** Dubai's population has crossed 3.6mn, growing 1.43% year-to-date 2023, according to the Dubai Statistics Centre's latest data. The emirate's population reached 3,600,879 as of June 26, 2023, compared to 3,550,186 on December 31, 2023. The population rose by 2.3% to 3,575,962 as of March 31, 2023, compared to 3,496,097 as of March 31, 2022. In 1975, Dubai's population stood at only 183,187. According to the statistics center, it crossed the 3-mn mark in 2018. Dubai's 2040 Urban Master Plan, which includes expanding green spaces, parks and other recreational areas in the emirate, envisions the population to grow to 5.8mn by 2040. The plan seeks to raise population density and increase the scale of development and investment to benefit from the existing infrastructure and services by providing 80% of the daily population's needs within 20 minutes or less by walking, cycling or riding soft mobility means. In November 2022, Issam Kazim, CEO, Dubai Corporation for Tourism and Commerce Marketing, said that Dubai was targeting to become the top-ranked city to live in. "We always aim to be number one at everything we do, and we will not stop until we achieve that number," he told an international summit. (Zawya)
- **UAE non-oil sector resilient to slower global growth, lead growth in 2023 -** The UAE's non-oil sectors have proven to be resilient to slower global growth and are expected to see faster growth this year, say economists. According to a note released by Emirates NBD Research, the non-oil sector to lead growth in 2023. "The PMI has averaged 55.5 in the first five months of the year, higher than the average over the same period last year, despite weakness in external order growth. Business activity has been supported by domestic demand so far in 2023," said Khatija Haque, head of research and chief economist, Emirates NBD Research. The tourism sector, one of the largest contributors to the local economy, will likely continue to perform fairly well this year. "We expect full-year visitor numbers to exceed 2019 levels, which will also underpin growth in the transport and services sectors this year. We have thus revised up our forecast for non-oil GDP growth in the UAE to 5.0% this year, from 3.5% previously," said Haque. With oil-producing group Opec+ extending production cuts through the end of 2024, Dubai's largest bank now expects the UAE's hydrocarbons GDP to contract by 2.5% this year, down from a forecast expansion at the start of 2023. The study reported robust consumer demand in the first quarter, as both credit and debit spending grew at a solid pace. "We expect aggregate demand is supported by continued population growth in the UAE, which has likely also been a driver of higher housing costs." The International Monetary Fund (IMF) said overall GDP is projected to grow at 3.6% in 2023, with non-hydrocarbon growth of 3.8% driven by continued tourism activity and increased capital expenditure. The Fund also praised the UAE's progress to enhance non-hydrocarbon revenue, including through the corporate income tax. Budget surplus: Emirates NBD Research said lower than expected oil price year-to-date is less positive for the budget but the UAE will still post a budget surplus despite lower crude prices. "We have revised down our forecast for the UAE's budget surplus to 4.9% of GDP from 5.6% previously as we now expect Brent oil to average around $82 a barrel this year. However, the growth in non-oil sector activity will likely contribute to additional tax and fee income in the budget," it said. While IMF projected a current account balance of 7.6% of GDP this year. Inflation, which has slowed from a peak of 7.1% in July 2022 due to a surge in energy and food costs, has started to unwind. Dubai's inflation fell to 3.0% year-on-year in May from 4.6% in January and Emirates NBD expects inflation in the emirate to average 3.5% in 2023, down from 4.7% in 2022. (Zawya)
- **RAKEZ fuels economic growth by welcoming over 1,500 new companies Q2, 2023 -** Ras Al Khaimah Economic Zone (RAKEZ) has announced the addition of over 1,500 new companies in the second quarter of 2023. This robust growth represents a remarkable 132% increase compared to the same period in 2022, further cementing RAKEZ's role as an accelerator for business growth and fostering an investment-friendly climate. Speaking on the achievement, RAKEZ Group CEO Ramy Jallad said, "Our strong performance in Q2 2023, with over 1,500 new companies joining us, is a result of our progressive approach, industry-leading business solutions, and unwavering commitment to nurturing businesses of diverse scales. The growth across various sectors, from general trading and e-commerce to media, services and manufacturing, reaffirms our vision of creating an

inclusive and sustainable economic landscape for global entrepreneurs." RAKEZ continues to pull in new investors from around the world to Ras Al Khaimah. The majority of these investors are from countries such as India, Pakistan, the UK, Egypt and Russia, highlighting the global appeal of the emirate's conducive business environment. General trading and commercial sectors emerged at the forefront with around 650 new companies. This surge in trade and commerce-centric businesses positions RAKEZ as a bustling hub for traders, with its recently launched Traders District playing a crucial role in catalyzing this growth. Additionally, the economic zone witnessed an impressive increase in other sectors, such as services with over 600 companies, e-commerce with over 170 companies, and media with over 100 companies. As RAKEZ steps into the second half of 2023, it remains dedicated to providing an adaptive and supportive ecosystem for investors looking to expand their horizons and grow in a dynamic business environment. (Zawya)

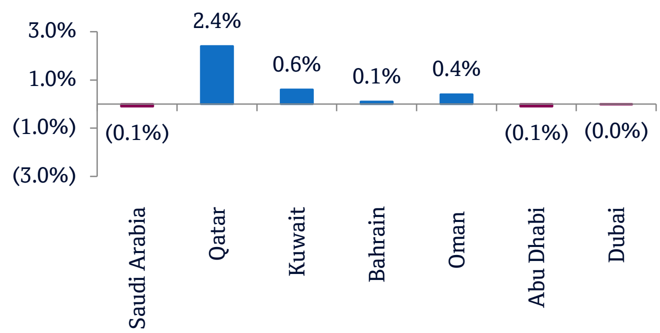
- **Oman's GDP increases 4.7% -** The Sultanate of Oman's gross domestic product (GDP) at constant prices recorded an increase of 4.7% to reach OMR8.70bn at the end of the first quarter of 2023.The GDP at constant price was OMR8.36bn in the first quarter of 2022, according to the initial data issued by the Omani National Centre of Statistics and Information. This increase has been mainly attributed to the growth of the non-oil activities which increased by 4.6% to reach OMR6.76bn at the end of the first quarter of 2023 compared to OMR5.80bn in the corresponding period of 2022.The total service activities has recorded a growth of 4.5% to reach OMR4.12bn at the end first quarter of 2023 compared to OMR3.94bn at the end of the first quarter of 2022. Also, the agriculture, forestry, fishing and industrial activities increased by 10.1% and 4.4% respectively. (Peninsula Qatar)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,919.35	0.6	(0.1)	5.2
Silver/Ounce	22.77	0.9	1.5	(4.9)
Crude Oil (Brent)/Barrel (FM Future)	74.90	0.8	1.4	(12.8)
Crude Oil (WTI)/Barrel (FM Future)	70.64	1.1	2.1	(12.0)
Natural Gas (Henry Hub)/MMBtu	2.48	(0.8)	11.7	(29.5)
LPG Propane (Arab Gulf)/Ton	54.50	(0.5)	(5.2)	(23.0)
LPG Butane (Arab Gulf)/Ton	43.50	0.0	(1.8)	(57.1)
Euro	1.09	0.4	0.1	1.9
Yen	144.31	(0.3)	0.4	10.1
GBP	1.27	0.7	(0.1)	5.1
CHF	1.12	0.4	0.1	3.2
AUD	0.67	0.7	(0.2)	(2.2)
USD Index	102.91	(0.4)	0.0	(0.6)
RUB	110.69	0.0	0.0	58.9
BRL	0.21	1.5	(0.0)	10.4

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,966.72	1.1	2.2	14.0
DJ Industrial	34,407.60	0.8	2.0	3.8
S&P 500	4,450.38	1.2	2.3	15.9
NASDAQ 100	13,787.92	1.4	2.2	31.7
STOXX 600	461.93	1.6	2.2	10.8
DAX	16,147.90	1.7	2.3	18.2
FTSE 100	7,531.53	1.5	1.1	6.2
CAC 40	7,400.06	1.6	3.6	16.5
Nikkei	33,189.04	0.2	0.9	15.4
MSCI EM	989.48	0.2	(0.2)	3.5
SHANGHAI SE Composite	3,202.06	0.5	(0.9)	(1.4)
HANG SENG	18,916.43	(0.1)	0.1	(4.8)
BSE SENSEX	64,718.56	1.2	2.7	7.2
Bovespa	118,087.00	1.2	(1.0)	18.7
RTS	982.94	(2.4)	(5.5)	1.3

Source: Bloomberg ($ adjusted returns if any, Data as of June 30, 2023)*

Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA
Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa