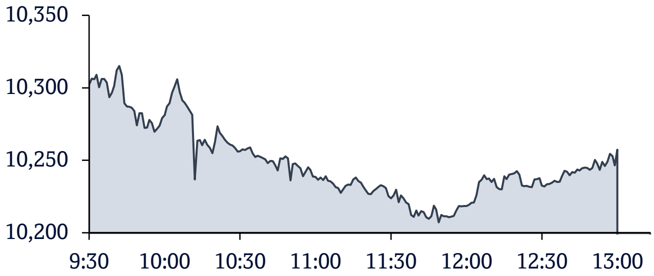
QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.4% to close at 10,257.2. Losses were led by the Telecoms and Insurance indices, falling 1.2% and 0.7%, respectively. Top losers were Dlala Brokerage & Inv. Holding Co. and Widam Food Company, falling 4.3% and 3.0%, respectively. Among the top gainers, Mazaya Qatar Real Estate Dev. gained 3.7%, while Damaan Islamic Insurance Company was up 3.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 11,397.1. Gains were led by the Media and Entertainment and Commercial & Professional Svc indices, rising 1.8% and 1.5%, respectively. Alarabia rose 7.5%, while Atheeb Telecom was up 5.6%.

Dubai: The DFM Index gained 0.3% to close at 3,698.7. The Communication Services index rose 1.2%, while the Financials index gained 0.8%. Takaful Emarat and Ithmaar Holding rose 14.8% each, while Ekttitab Holding Company was up 14.4%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 9,368.8. The Industrial index rose 1.7%, while the Basic Materials index gained 0.7%. Hayah rose 8.0% while Q Holding was up 6.6%.

Kuwait: The Kuwait All Share Index fell marginally to close at 6,858.5. The Technology index declined 8.6%, while the Telecommunications index fell 0.8%. Automated Systems Co. fell 8.6% while Warba Insurance & Reinsurance Co. was down 8.1%.

Oman: The MSM 30 Index gained 0.2% to close at 4,658.7. The Financial index gained 0.2%, while the other indices ended flat or in red. Dhofar Int. Development & Inv. Holding rose 9.6%, while Voltamp Energy was up 3.2%.

Bahrain: The BHB Index rose 0.1% to close at 1,954.4. The Financial index rose 10.0% while the Industrials index was up 9.4%. Ithmaar Holding rose 50.0%, while Solidarity Bahrain was up 1.7%.

Market Indicators	08 Jun 23	07 Jun 23	%Chg.
Value Traded (QR mn)	268.9	432.2	(37.8)
Exch. Market Cap. (QR mn)	607,400.6	608,989.9	(0.3)
Volume (mn)	103.7	157.8	(34.3)
Number of Transactions	12,706	17,578	(27.7)
Companies Traded	49	48	2.1
Market Breadth	21:22	20:26	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,013.41	(0.4)	0.5	0.6	12.2
All Share Index	3,470.06	(0.3)	0.5	1.6	133.8
Banks	4,296.88	(0.3)	0.9	(2.0)	13.2
Industrials	3,840.69	(0.4)	(0.7)	1.6	12.9
Transportation	4,724.37	(0.4)	0.4	9.0	13.4
Real Estate	1,550.43	0.3	(0.3)	(0.6)	18.6
Insurance	2,375.33	(0.7)	3.7	8.6	178.7
Telecoms	1,607.80	(1.2)	0.2	21.9	14.2
Consumer Goods and Services	7,841.38	(0.1)	0.5	(0.9)	22.4
Al Rayan Islamic Index	4,579.92	(0.4)	(0.0)	(0.3)	8.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Q Holding	Abu Dhabi	2.44	6.6	78,540.9	(39.0)
Multiply Group	Abu Dhabi	3.23	4.9	24,222.8	(30.4)
Banque Saudi Fransi	Saudi Arabia	40.95	2.0	520.3	0.9
Dar Al Arkan Real Estate	Saudi Arabia	16.00	1.9	6,762.9	37.7
Abu Dhabi Islamic Bank	Abu Dhabi	10.28	1.6	1,386.3	12.8

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Abu Dhabi Nat. Oil Co.	Abu Dhabi	4.11	(2.1)	4,227.9	(6.8)
Dr. Sulaiman Med. Co.	Saudi Arabia	268.40	(1.7)	286.5	21.7
Ooredoo	Qatar	10.69	(1.5)	939.8	16.2
Adnoc Drilling	Abu Dhabi	3.62	(1.4)	1,261.2	21.5
Saudi Electricity Co.	Saudi Arabia	22.42	(0.8)	815.6	(2.9)

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%
Mazaya Qatar Real Estate Dev.	0.814	3.7	17,440.8	17.0
Damaan Islamic Insurance Company	3.830	3.5	4.5	0.0
Dukhaan Bank	3.849	2.6	3,739.4	0.0
Qatar National Cement Company	4.020	2.0	707.7	(16.9)
Mekdam Holding Group	5.999	1.7	73.3	(13.2)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co.	1.472	(4.3)	1,853.2	28.9
Widam Food Company	2.300	(3.0)	1,807.2	13.2
Al Khaleej Takaful Insurance Co.	2.902	(2.9)	751.6	26.1
Inma Holding	5.225	(2.7)	449.7	27.1
Aamal Company	0.844	(1.5)	465.4	(13.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mazaya Qatar Real Estate Dev.	0.814	3.7	17,440.8	17.0
National Leasing	0.829	1.2	10,388.4	17.8
Masraf Al Rayan	2.612	0.0	8,885.1	(17.6)
Qatar Aluminum Manufacturing Co.	1.497	(0.9)	8,763.5	(1.5)
Qatari German Co. for Med. Devices	2.448	1.6	5,370.2	94.7

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.10	(0.3)	31,698.7	(10.6)
Masraf Al Rayan	2.612	0.0	23,201.9	(17.6)
Industries Qatar	11.76	(0.8)	20,306.5	(8.2)
Qatar Islamic Bank	17.85	(0.3)	18,383.9	(3.8)
Dukhaan Bank	3.849	2.6	14,195.0	0.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,257.21	(0.4)	0.5	1.0	(4.0)	74.90	166,549.3	12.2	1.4	4.8
Dubai#	3,698.69	0.3	0.3	3.4	10.9	142.89	173,887.6	9.0	1.2	4.8
Abu Dhabi#	9,368.76	0.2	0.2	(0.4)	(8.2)	265.81	692,361.4	28.7	2.5	1.9
Saudi Arabia	11,397.14	0.2	3.5	3.5	8.8	1,906.00	2,911,193.5	17.8	2.2	3.0
Kuwait#	6,858.52	(0.0)	1.1	0.9	(5.9)	91.26	142,999.0	16.9	1.5	3.9
Oman	4,658.73	0.2	0.6	0.7	(4.1)	7.09	22,348.0	15.8	1.1	4.5
Bahrain	1,954.42	0.1	(0.2)	(0.5)	3.1	4.16	65,238.8	6.8	0.7	8.9

*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 09, 2023)*

Qatar Market Commentary

- The QE Index declined 0.4% to close at 10,257.2. The Telecoms and Insurance indices led the losses. The index fell on the back of selling pressure from Arab and Foreign shareholders despite buying support from Qatari and GCC shareholders.
- Dlala Brokerage & Inv. Holding Co. and Widam Food Company were the top losers, falling 4.3% and 3.0%, respectively. Among the top gainers, Mazaya Qatar Real Estate Dev. gained 3.7%, while Damaan Islamic Insurance Company was up 3.5%.
- Volume of shares traded on Thursday fell by 34.3% to 103.7mn from 157.8mn on Wednesday. Further, as compared to the 30-day moving average of 242.5mn, volume for the day was 57.2% lower. Mazaya Qatar Real Estate Dev. and National Leasing were the most active stocks, contributing 16.8% and 10.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	39.61%	29.88%	26,154,541.45
Qatari Institutions	16.65%	22.60%	(16,006,146.28)
Qatari	**56.26%**	**52.49%**	**10,148,395.17**
GCC Individuals	0.47%	0.59%	(326,770.14)
GCC Institutions	7.95%	2.01%	(15,964,284.65)
GCC	**8.42%**	**2.60%**	**15,637,514.52**
Arab Individuals	10.09%	11.53%	(3,852,615.30)
Arab Institutions	0.00%	0.00%	0.00
Arab	**10.09%**	**11.53%**	**(3,852,615.30)**
Foreigners Individuals	3.59%	3.09%	13,30,869.78
Foreigners Institutions	21.64%	30.30%	(23,264,164.17)
Foreigners	**25.23%**	**33.39%**	**(21,933,294.39)**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08-06	US	Department of Labor	Initial Jobless Claims	03-Jun	261k	235k	233k
08-06	US	Department of Labor	Continuing Claims	27-May	1757k	1802k	1794k
08-06	US	US Census Bureau	Wholesale Inventories MoM	Apr F	-0.10%	-0.20%	-0.20%
08-06	US	US Census Bureau	Wholesale Trade Sales MoM	Apr	0.20%	0.90%	-2.70%
08-06	EU	Eurostat	GDP SA YoY	1Q F	1.00%	1.20%	1.30%
08-06	EU	Eurostat	Govt Expend QoQ	1Q	-1.60%	-2.10%	0.70%
08-06	EU	Eurostat	Gross Fix Cap QoQ	1Q	0.60%	0.50%	-3.60%
08-06	EU	Eurostat	Household Cons QoQ	1Q	-0.30%	-0.50%	-1.00%
09-06	China	National Bureau of Statistics	CPI YoY	May	0.20%	0.20%	0.10%
09-06	China	National Bureau of Statistics	PPI YoY	May	-4.60%	-4.30%	-3.60%

Qatar

- **QCB issues QR500mn treasury bills -** The Qatar Central Bank (QCB) issued Thursday treasury bills worth QR500mn due on June 15, at a yield rate of 5.5050%. The QCB previously issued QR5bn treasury bills in June distributed into five tranches with different terms and yield rates. Treasury bills are a short-term debt instrument issued by the government for the purpose of borrowing and providing cash liquidity in short terms. They are considered one of the monetary policy instruments for domestic liquidity management, reports QNA. (Gulf Times)
- **Estithmar Holding to develop a Medical Hub in Kazakhstan -** Estithmar Holding announces that its subsidiary, Elegancia Healthcare, has signed an agreement with the Ministry of Health in Kazakhstan. The agreement aims to establish a medical hub in the city of Astana, Kazakhstan. The agreement, signed by Ms. Giniyat Azhar, Minister of Health of the Republic of Kazakhstan, and Mr. Moutaz Al Khayyat, Chairman of Estithmar Holding, aims to meet the growing healthcare needs of the local population while delivering world-class medical services in Kazakhstan. Mr. Moutaz Al-Khayyat, Chairman of Estithmar Holding commented on the partnership, stating: "The agreement signifies our commitment to our global expansion strategy and the provision of developing a world-class healthcare facility in Kazakhstan" Mr. Al Khayyat also emphasized the importance of the strong and strategic relations between Qatar and Kazakhstan as the foundation for this agreement, highlighting its potential to support the social and economic development of Kazakhstan. The medical facility will be implemented through a partnership between Elegancia Healthcare and "Cynosure" LLP, under the jurisdiction of the Astana International Financial Centre. This state-of-the-art medical hub will be equipped with the latest cutting-edge technology and staffed by highly skilled healthcare professionals. It will also offer a comprehensive range of specialized medical services, including diagnostics, in-patient and out-patient treatments, surgeries, and rehabilitation programs. Elegancia Healthcare has an extensive experience in developing and operating healthcare facilities such as the View Hospital in affiliation with Cedars-Sinai which is a modern healthcare institution that focuses on world-class clinical excellence with a mission to become the hospital of choice, providing, the highest, measurable care to its clients. In addition, to the Korean Medical Center being developed in cooperation with world-class Korean medical organizations, among many other international healthcare institutions. Estithmar Holding is a Qatari public listed company with a diverse portfolio of 51 companies offering reliable, sustainable, and quality services to companies across five strategic sectors: healthcare, services, ventures, contracting and industries, with the aim to relentlessly pursue excellence and innovation while increasing shareholder value and creating a more diversified revenue stream. (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: Engineering Manpower Supply. Value: QAR 58,000,000 Duration: 5 Years Completion, Date: 31 December 2028, Scope of Work: Engineering Services. The total value of contracts awarded to Mekdam Holding Group during year 2023 has exceeded an amount of QR212mn. (QSE)
- **Qatar's office market expands in Q1 2023 -** The country's major business hubs including Lusail, The Pearl, and Msheireb Downtown Doha witnessed an increase in office spaces during the first quarter of the year.

Speaking to The Peninsula in an interview, Alexander Hartmann, Managing Partner, The Loft Bureau Real Estate emphasized the newly developed financial districts as a stable market for office space. He said: "Office spaces especially in Lusail Marina are in demand and are operating on high occupancy rates. It's different because it is one market and if you go deeper inside, you will find higher occupancy rates with mesmerizing infrastructures in Lusail. "Also, you have a great mix of residential and office towers. This is one of the hottest (high demand) markets at the moment, especially for expatriates so I think Lusail Marina is at the top." However, several reports elucidate that Lusail is set to become Qatar's 'de-facto' financial district in the forthcoming years with surging projects and business activities. A report by Cushman and Wakefield notes that most of the office activities, however, took place in Lusal over the past year. It explained "In February, the QFC and Qatari Diar announced that the former has acquired more than 6,000 sq m of office space in Lusail Boulevard, joining Qatar Chamber, which is due to relocate to the same street shortly. These upcoming office relocations could potentially see the Lusail downtown area become Qatar's de-facto financial district in the coming years." The report further states that "The buoyant oil and gas sector has spurred expansion and relocation activity in the past year. As a result, three office deals over 3,000 sq m have been confirmed in West Bay and The Pearl Qatar. Msheireb Downtown Doha is also gaining recognition as a commercial destination." During Q1 2023, Msheireb City saw numerous commercial office lettings mainly in the oil and gas industries in addition to financial corporations. The report notes that there are other transactions in the pipeline, which are expected to be completed during the second quarter of the year. The report said that "The supply of purpose-built office accommodation in Qatar has now reached approximately 5.3mn sq m. The Al Dafna and West Bay districts have the largest concentration of supply with approx. 1.8mn sq m of gross leasable area, while the expanding supply of office accommodation in Lusail has surpassed 800,000 sq m. Despite an increasing office supply, there currently needs to be more options available for companies looking for premium quality fitted space." It also said "Most available office space in Doha is either of basic quality or is available on a shell and core basis. "Grade A stock is now typically available to lease for between QR100 and QR120 per sq m per month, exclusive of service charges. Office spaces leased as 'shell and core' can be secured for QR55 to 60 per sq m per month in some of Doha's main office districts," it added. (Peninsula Qatar)

- **Qatar's EV market to reach 10% domestic sales by 2030 -** Passenger electric vehicles (EV) in the country are expected to reach 10% sales by 2030 as the government works towards collaborating with E-vehicle organizations to achieve this feat. Recently, the Ministry of Transport announced that in line with national vision 2030, 35% of the total vehicles of its fleet and all public transport will be changed to EV mode in the next 7 years. With the implementation of this initiative, the E-vehicle market is expected to rapidly increase during the forecast period. Commenting on the partnerships by the government and E-vehicle companies, Fitch Solutions analysts report that the market will witness a rising demand and will drive passenger EV sales by more than 300% in 2023 to reach year-on-year sales volumes of around 600 units. The report states that the E-vehicle sales will see nearly 48% annual sales growth by 2032 to reach an annual sales volume high of almost 15,000 units. "This will represent a passenger EV penetration rate of 20.4% in 2032," the report said adding that the market is poised to witness higher growth in the years to come. Fitch Solutions highlighted that the country "will reap economic benefits from lower geopolitical risks in the MENA region." As Qatar and Bahrain resolved their diplomatic ties, the report states that it will benefit both the country's economies in several sectors such as oil and gas, tourism, and business activities, indicating a potential growth in the EV market. "The plan for 100% electrified public transport buses by 2030 will continue to drive strong growth in commercial EV sales in the country. We forecast commercial EV sales will increase by 40.5% in 2023 to reach around 1,080 units, the report noted. It also added that "Trucks, pickups, and electric minibuses will gain traction in Qatar as supply chains decarbonize and as more commercial EVs are launched. We forecast average annual sales of 8.1% over 2024-2032 and for commercial EV sales to reach a high of just under 2,200 units in 2032. This will represent a commercial EV penetration rate of 15% in 2032." During the FIFA World Cup held last year, around 25% of the transportation buses were electric. In 2022, 800 E-vehicles were sold in Qatar and the country has nearly 100 charging stations. Recently Dukhan Bank also announced its first eco-friendly vehicle finance offer valid until this September for all its customers purchasing an electric or hybrid vehicle. The report underlines that such offers in addition to supplying the vehicles globally like the US, Europe, and Japan will contribute to the growth of Qatar's EV market in 2023. (Peninsula Qatar)

- **Qatar records steady upward trend in private vehicles in April -** Qatar maintained a steady upward trend in the sales of new private vehicles, which constituted three-fourth of the total vehicles sales, according to the official estimates. However, the overall sales in the vehicles market were on a slippery road, according to the Planning and Statistics Authority (PSA) data. The country saw 6,816 new vehicles registered in April 2023, declining 6.9% and 3.9% on an annualized and monthly basis respectively in the review period. The registration of new private vehicles stood at 5,132, which nevertheless shot up 8.9% and 5% year-on-year and month-on-month respectively in April 2023. Such vehicles constituted 75% of the total new vehicles registered in the country in the review period. The registration of new private transport vehicles stood at 896, which declined 20.4% and 18.8% on a yearly and monthly basis respectively in April 2023. Such vehicles constituted 13% of the total new vehicles in the review period. The new registration of other non-specified vehicles stood at 516 units, which zoomed 116.8% on a yearly basis but shrank 24% month-on-month this April. These constituted 8% of the total new vehicles registered in the country in the review period. The registration of new private motorcycles stood at 144 units, which plummeted 86.3% and 37.7% year-on-year and month-on-month respectively in April 2023. These constituted 2% of the total new vehicles in the review period. The registration of new heavy equipment stood at 113, which constituted 2% of the total registrations in April 2023. Their registrations had seen a 28% and 29.4% contraction year-on-year and month-on-month respectively in the review period. The registration of trailers amounted to 15 units, which reported a 61.5% and 48.3% plunge month-on-month and year-on-year respectively in the review period. The renewal of registration was reported in 57,269 units, which saw 4.1% and 27.3% shrinkage on yearly and monthly basis respectively in April 2023. It constituted 55.3% of the clearing of vehicle-related processes in the review period. The transfer of ownership was reported in 28,829 vehicles in April 2023, which declined 5.2% and 19.5% year-on-year and month-on-month respectively. It constituted 27.84% of the clearing of vehicle-related processes in the review period. The modified vehicles' registration stood at 4,570, which expanded 58.1% on an annualized basis but fell 27.9% month-on-month in April 2023. They constituted 4.41% of the clearing of vehicle-related processes in the review period. The number of lost/damaged vehicles stood at 3,212 units, which tanked 55.3% and 45.4% year-on-year and month-on-month respectively in April 2023. They constituted 3.1% of the clearing of vehicle-related processes in the review period. The number of vehicles meant for exports stood at 1,442 units, which reported a 36.6% and 57.5% decrease on a yearly and monthly basis respectively in April 2023. It constituted 1% of the clearing of vehicle-related processes in the review period. The re-registration of vehicles stood at 241, which soared 164.8% and 109.6% year-on-year and month-on-month respectively in April 2023. The clearing of vehicle-related processes stood at 103,559 units, which tanked 7.1% and 25.6% on a yearly and monthly basis respectively in the review period. Hamad, Doha and Al Ruwais ports had handled 8,025 RORO (vehicles) in April 2023, which registered a 2.14% and 14.53% jump year-on-year and month-on-month respectively. Hamad Port alone handled 7,992 units in April 2023. (Gulf Times)

- **Minister Al Kaabi participates in electrical interconnection project ceremony -** Minister of State for Energy Affairs, HE Saad Sherida Al Kaabi, took part in a special event held to mark the start of the implementation of the Gulf Cooperation Council countries' electrical interconnection project with the south of the Republic of Iraq. The event was held in the city of Dammam, in the Kingdom of Saudi Arabia, under the patronage of His Highness Prince Saud bin Nayef bin Abdulaziz Al Saud, the Emir of the Eastern Province, and their excellencies the ministers concerned with electricity affairs in the GCC countries, in the presence of members of the Electricity and Water Cooperation Committee, and their excellencies the Secretary General of the Cooperation Council for the Arab States of the

Gulf and the Minister of Electricity of Iraq. This interconnection project, expected to be completed in late 2024, is the first to be implemented outside the electrical grid system of the GCC countries, and will meet some of the demand for electric power in southern Iraq with about 500 megawatts per hour. It is funded by both the Qatar Fund for Development and the Kuwait Fund for Arab Economic Development: Commenting on this occasion, HE Minister Al Kaabi stressed the importance of the interconnection project, pointing to the role it will play in "deepening the foundations of integration, complementarity, and cooperation between the GCC countries and the Republic of Iraq, and in strengthening the Gulf electrical interconnection project, which represents one of the most important infrastructure interconnection projects approved by Their Majesties and Highnesses, the leaders of the Gulf Cooperation Council to support economic and social development in the GCC countries." HE Minister Al Kaabi added: "We, in the State of Qatar, realize the importance of extending bridges of cooperation and common action at the Arab level. Guided by the directives of His Highness the Amir Sheikh Tamim bin Hamad Al Thani, we spare no effort in supporting major strategic initiatives of this nature, which are pivotal in bolstering the region's energy security and have a positive impact on its stability and sustainable development across all societal spheres." The first phase of the GCC electrical interconnection project was inaugurated on 14 December 2009, connecting the electricity networks of the State of Qatar, the State of Kuwait, the Kingdom of Saudi Arabia, and the Kingdom of Bahrain. This was followed by the UAE in 2011 and the Sultanate of Oman in 2014. This strategic project has achieved important technical and economic benefits for the GCC countries, including annual savings of $200-300mn annually, with cumulative savings of approximately $3bn since the commencement of operations. (Zawya)

- **S&P: Qatar's interbank deposits on the rise since 2021 end -** Qatar banks' interbank deposits, which are "potentially more volatile", have increased over the past 15 months, reaching QR217.5bn at the end of March 2023 against QR164bn in 2021, according to Standard and Poor's (S&P). Moreover, Qatar banks' domestic resource mobilization growth is contingent upon the government's new investments; S&P said a report. Finding that the Qatari lenders have the highest recourse to external funding among the GCC or Gulf Co-operation Council banks; it said the system's loan-to-deposit ratio reached 124% at March 31, 2023, or 152% at the same date if factored only the resident deposits and loans. "This resulted in an overall funding gap (total domestic loans minus total resident deposits) of $112.4bn, equivalent to almost two times the public sector deposits," it said. Although the Qatari banks benefit from geographical funding diversification, some of these external sources are less stable, it said, adding at the end of March 31, 2023, the equivalent of almost two-thirds of the domestic funding gap was covered by capital markets and due to branches and head offices, while the remainder was covered by interbank deposits, which the rating agency sees as "potentially more volatile." "We also note that the contribution from this source has increased over the past 15 months, reaching QR217.5bn at March 31, 2023, compared to QR164bn at year-end 2021," S&P said. The rating agency views that the Qatari authorities are highly supportive of their banking system and the strong track record in providing such support are mitigating factors. In this regard, it observed that when the banking system lost about $20bn of external funding (due to Gulf crisis), it was more than compensated by twice that amount in the form of government and related entity deposits. "Amid scarcer and more expensive global liquidity, we expect Qatari banks to continue mobilizing domestic resources to meet future growth. However, we do not expect the latter to materially pick up until a major new investment program is implemented by the government," the report said. S&P found that funding risk is a prominent topic among investors in the GCC banks, particularly as the regional transitions from cheap and abundant liquidity to a more restrictive environment. Major central banks have made it clear that interest rates will be higher for longer, implying that liquidity will be scarcer and more expensive. "This could significantly affect banking systems in emerging markets," it said, suggesting that the availability of a well-functioning domestic debt capital market can make a "significant difference" for the GCC banking sector's funding opportunities. In terms of relative stability, funding sourced from the domestic debt capital market tends to be more stable than cross-border funds, but less stable than core customer deposits, according to S&P. "Having a broad and deep local debt capital market can therefore help a banking system reduce its dependence on external funding and ease concentration and maturity mismatches," it said. (Gulf Times)
- **GE Gas Power executive: Qatar policies 'supportive' towards achieving CO2 reduction targets -** Qatar has supportive policies that include carbon dioxide (CO2) reduction targets directed at carbon capture, utilization, and storage (CCUS), noted Gagan Porwal, GE Gas Power head (International Market Partnerships). The country is among promising locations globally to develop active CCUS hubs, Porwal said and noted: "Qatar has several unique advantages that make it ideal for CCUS projects in general and carbon hubs in particular." In a recent interview with Gulf Times, Porwal said: "The country has large natural gas reserves, which provide abundant feedstock for blue hydrogen production. It has optimal design of industrial areas which allows for homogenous CO2 flows and optimal concentration levels that are critical to designing an efficient capture hub. It has a favorable geology, with saline aquifer formations that appear ideal for CO2 storage. "The existing pipeline infrastructure can be leveraged to transport CO2, given its proximity to CO2-producing facilities. This can reduce CCUS project costs by reducing complexities around transportation." According to Porwal, the Ras Laffan Industrial City is an "ideal location for a world-scale carbon hub" for several reasons. First, it is home to more than 80 GE gas turbines, and to major LNG trains and power plants, all of which provide for a benefit of proximity, homogeneity, and consistent volume flows for building a capture hub that can truly operates as a central emissions reduction entity creating a template for the other such regions to follow and learn from. "At the same time, the hub is in close proximity to near oil and gas fields, which can be ideal for storing CO2. As government pushes for its ambition for CCS, we expect to see encouraging development on this side of the equation as well complemented by existing infrastructure, including pipelines," said Porwal, who recently spoke at the CCUS Forum in Doha, where he provided his perspective on how regional and international co-operation can support the development of CCUS. Co-located in Ras Laffan, there are other heavy industry facilities that generate carbon for capture or can benefit from the low-carbon electricity generated by power plants in the industrial city with CCUS. GE with its capabilities on integration, control systems and being original equipment manufacturer of these power generation assets is bringing its unique capabilities that positions for implementation of carbon capture system with potential of optimum cost and maximum performance. With carbon capture, Qatar has decades of experience and expertise dealing with hydrocarbons and has access to depleted wells and deep saline aquifers that can unlock the most critical element of carbon capture called storage, he said. On the 'Decarb MoU' GE signed with QatarEnergy, Porwal said the MoU aims to accelerate collaboration to develop a carbon capture roadmap for the energy sector in Qatar. The roadmap includes the potential development of carbon capture and sequestration, the utilization of hydrogen, and the potential usage of ammonia in GE gas turbines to reduce their carbon emissions. The focus is to explore the feasibility of developing a world-scale carbon hub at Ras Laffan Industrial City, which as of today, is home to more than 80 GE gas turbines. It is in line with QatarEnergy's Sustainability Strategy and the efforts to reduce emissions and produce cleaner energy using the latest technologies. "We at GE will pursue all available avenues including the use of clean energy carriers such as hydrogen as a fuel for gas turbines and carbon capturing technologies from such turbines. Exploring pre-combustion technologies such as the use of low carbon fuels to generate power, and post-combustion technologies such as carbon capture and sequestration, can potentially significantly reduce the CO2 emissions from QatarEnergy's facilities," he said. (Gulf Times)
- **'Qatar a pioneering country in investment projects' -** Chairperson of Qatari Businessmen Association (QBA) Sheikh Faisal bin Qassim Al Thani affirmed that Central Asian countries have many promising economic and investment opportunities, including the Republic of Tajikistan. On the occasion of HH the Amir Sheikh Tamim bin Hamad Al Thani's visit to Tajikistan at the end of His Highness' tour in Central Asia, Chairperson of QBA told Qatar News Agency (QNA) that the State of Qatar occupies the Arab leadership in developing investment projects in Tajikistan, stressing the strength of relations between the two countries in various fields. He

pointed out that the volume of Qatari investments in Tajikistan amounted to about $62mn, which is clearly evident in the development of the first phase of the Diar Dushanbe residential and commercial building project. He said that, through meetings with trade and investment delegations from Tajikistan, the need for investment and trade development - priority areas for relations between Qatar and Tajikistan, emerged, which is why the legal framework for cooperation between the two countries in various fields has been strengthened. These fields include trade, economy and investments, especially energy, banking, industry, agriculture, mining, tourism and transportation, he added. He stressed that QBA welcomes the establishment of a joint business council between businesspersons in the two countries, adding that it would facilitate the access to any information regarding available opportunities, and enhance opportunities for establishing effective partnerships between Qatari and Tajik companies. HE Sheikh Faisal bin Qassim Al Thani concluded his statements to QNA by highlighting Tajikistan's readiness to offer attractive investment projects to Qatari investors, as there are promising opportunities to expand cooperation in the fields of hydroelectric power, agriculture and various industries, including food industries, mining, minerals, precious stones, and the production of finished products from raw materials. (Peninsula Qatar)

- **Prime Minister: Qatar, France strategic dialogue important mechanism to devise joint action plan -** Prime Minister and Minister of Foreign Affairs HE Sheikh Mohammed bin Abdulrahman bin Jassim Al Thani has said that the second Strategic Dialogue between Qatar and France is an important mechanism to strengthen constructive cooperation and devise a joint action plan for the future. Hailing strong ties between Qatar and France, the Prime Minister and Minister of Foreign Affairs said that the strategic relations between Qatar and France are characterized by complete harmony and constant coordination. In a joint press conference along Minister of Europe and Foreign Affairs of the French Republic HE Catherine Colonna, the Prime Minister said: "We stressed the importance of raising the level of existing cooperation between the two countries, especially in the political, diplomatic, economic, defense and security fields, including combating terrorism." Prime Minister and Minister of Foreign Affairs and Minister of Europe and Foreign Affairs of the French Republic chaired the second Strategic Dialogue session between the State of Qatar and the French Republic, at the Amiri Diwan. During the session, they discussed the strategic relations between the two countries, the outputs of the working groups of the strategic dialogue, and the latest developments in the regional and international situations, especially the Palestinian issue, Sudan, Libya, Syria, Afghanistan, the Horn of Africa, and the Russian-Ukrainian crisis. The two parties commended the important progress made in strengthening their partnership since the first Strategic Dialogue in Doha in March 2022, affirming their determination and commitment to bolstering cooperation and developing the full potential of their relationship in all fields. The Prime Minister, in the press conference, said that the political and diplomatic coordination between the two countries in the field of humanitarian aid has opened new horizons for future cooperation in this field. "In recent past, there have been many occasions to discuss ways of humanitarian cooperation like in Afghanistan, Lebanon and Palestine ... we look forward to expanding this partnership to include multiple countries," he added. He pointed out that there were opportunities to enhance cooperation between Qatar and France in the field of climate change, energy, and security. The Prime Minister and Minister of Foreign Affairs said that in the Strategic Dialogue, they explored ways and means to strengthen strategic relations in the fields of trade and investment also. "Qatari investments in France and French investments in Qatar are the basis for economic partnership," he added. He thanked France for supporting Qatar's in hosting FIFA World Cup Qatar 2022, especially in the security field. "This bilateral cooperation will continue during Olympics being hosted by France next year." He said that it was also agreed in the meeting to unite forces to address many regional issues to establish peace and stability in the region. He reiterated Qatar's stance for just solution of Palestinian issue supporting the establishment of an independent state on the 1967 borders with East Jerusalem as the capital of Palestine. On Russian-Ukrainian war, he said: "We affirmed Qatar's firm position on adhering to the Charter of the United Nations, condemning the attack on the sovereignty of any country, and respecting Ukraine's sovereignty, independence and territorial integrity within its internationally recognized borders." He said both the sides had also discussed various other regional issued including Syria, Afghanistan, Iraq, Libya, Lebanon, Sudan and Chad. Regarding security coordination mechanisms between Qatar and France, he said: "With regard to cooperation between the two countries in promoting international peace and security, the political dialogue continues at all levels through consultation on various issues." Regarding cooperation between Qatar and France in the field of international development, the Prime Minister that the strong partnership between the two countries was manifested in various humanitarian projects in Afghanistan. "We will expand this partnership in other countries, especially since Qatar is one of the countries which is active in the field of humanitarian and international development and its aid reaches more than 100 countries around the world... the joint work between Qatar and France is an added value in supporting these countries and reaching political solutions in areas suffering from crises." Regarding supporting Lebanon, the Prime Minister and Minister of Foreign Affairs made it clear that Qatar continuously supports Lebanon. He stressed that the political solution, to fill the void in Lebanon, is in the hands of the Lebanese and no one else, expressing his hope that the Lebanese parties would overcome the differences between them and think about the interests of Lebanon. Minister of Europe and Foreign Affairs of the French Republic HE Catherine Colonna said that the second Strategic Dialogue will open a new phase of bilateral ties. She said that the dialogue would expedite work which was already done in the meetings between officials from both the sides. She said that there was a joint will from both the friendly countries to raise the level of strategic cooperation in different fields like education, culture, economy, investment, defense, sports etc. "In the Strategic Dialogue we tried to find ways and means to strengthen cooperation through joint initiatives and efforts in humanitarian field." She also expressed her gratitude to Qatar for evacuation of French citizens from Afghanistan. She said that better structures would be built to enhance bilateral investments also saying that there was strong will from both the countries to serve common interests and vision for development projects. She lauded Qatar's humanitarian works in Gaza, Syria, Lebanon. (Peninsula Qatar)

- **Amir, Tajik president hold talks, witness pact signing -** Amir, Tajik president witnessed the signing of an MoU in the field of trade between the Ministry of Commerce and Industry of Qatar and the Ministry of Commerce and Economic Development of the Republic of Tajikistan, and a cooperation agreement in the fields of standardization, metrology and conformity assessment between the Qatar General Organization for Standardization and Metrology and the Tajik Agency for Standardization, Metrology, Certification and Commercial Inspection. HH the Amir and the Tajik president also witnessed the signing of an MoU for cooperation in the field of agriculture and food security between the Ministry of Municipality in the State of Qatar and the Ministry of Agriculture in the Republic of Tajikistan, an MoU for cooperation in the field of protecting endangered wildlife and preserving its natural environment between the government of Qatar and the government of Tajikistan, an MoU for cooperation in the field of construction and infrastructure between the government of Qatar and the government of Tajikistan, an MoU for cooperation in the fields of tourism and business activities between the government of Qatar and the government of Tajikistan, and an agreement for cooperation in the fields of physical education and sports between the government of Qatar and the government of Tajikistan. They also witnessed the signing of a memorandum of understanding for cooperation in the field of youth between the government of Qatar and the government of Tajikistan, an agreement on defense cooperation between the Ministry of Defense of Qatar and the Ministry of Defense of Tajikistan, an MoU regarding cooperation in the field of endowments and Islamic affairs between the Ministry of Endowments and Islamic Affairs in Qatar and the Religious Committee and the Organization of Traditions, Celebrations and Ceremonies of the Government of Tajikistan, an MoU regarding cooperation between the Ministry of Labor in the State of Qatar and the Ministry of Labor, Immigration and Population Employment in the Republic of Tajikistan, and cooperation program between the Ministry of Justice in the State of Qatar and the Ministry of Justice in the Republic of Tajikistan for the period from 2023 to 2025. Chief of the Amiri Diwan HE Sheikh Saud bin Abdulrahman Al Thani, Minister of Commerce and

Industry HE Sheikh Mohammed bin Hamad bin Qassim Al Thani, Minister of Culture HE Sheikh Abdulrahman bin Hamad Al Thani and Minister of State for Foreign Affairs HE Sultan bin Saad Al Muraikhi attended the talks session, as well as several senior officials, members of the official delegation accompanying HH the Amir. On the Tajik side, Minister of Foreign Affairs of the Republic of Tajikistan Sirojiddin Muhriddin, Assistant to the President of the Republic of Tajikistan on Foreign Relations Latifzod Sharifi Azamsho, Assistant to the President of the Republic of Tajikistan for Economic Affairs Hikmatullozoda Nematullo, Minister of Economic Development and Trade of the Republic of Tajikistan Zavqizoda Zavqi and Minister of Culture of the Republic of Tajikistan Davlatzoda Zulfiya attended the talks session, as well as several of senior officials. HH the Amir and the Tajik president have held a bilateral meeting, in which they discussed the overall cooperation relations between the two friendly countries, in addition to several issues of common concern. HH the Amir attended the luncheon banquet hosted by President of the Republic of Tajikistan Emomali Rahmon on Thursday in honor of HH the Amir and the accompanying delegation at Takuba Palace. (Qatar Tribune)

- **'Diar Dushanbe project reflects distinguished Qatari-Tajik Relations' -** Chief Executive Officer of Qatari Diar Real Estate Investment and Development Company Eng. Abdullah bin Hamad Al Attiyah affirmed that the company's project in Tajikistan "Diar Dushanbe", reflects the remarkable political and economic relations between the State of Qatar and the Republic of Tajikistan. Al Attiyah said in remarks to QNA that work on the second phase of the project, which is built on a 6.8 hectares area in the center of the Tajik capital, Dushanbe, is currently underway after the completion of the first phase in 2015. He pointed out that the Diar Dushanbe project is one of the many high-end projects of the Qatari Diar Real Estate Investment and Development Company. Diar Dushanbe has been meticulously planned to offer a mix of residential and commercial properties, while the waterfront development provides a great place to live, work and entertain with its plazas, shops, and green open spaces, he said. The Diar Dushanbe project has four phases, with the first phase covering 41,100 square meters at a cost of $55.5mn (QR202mn), and the second phase includes a high-rise building, two low-rise residential buildings, and a DCR building belonging to the US Embassy (embassy staff accommodation), covers an area of 16,500 square meters. The third phase consists of 5 residential buildings, covering an area of 62,800 square meters and is currently under financial and commercial negotiations, and the fourth phase includes the construction of a five-star hotel in an area of 28,700 square meters, which is also under financial and commercial negotiations with investors. The actual infrastructure cost of the second, third, and fourth phases is $7.4mn (QR27mn), while the actual design cost of the second phase is $2mn (QR7.3mn). Eng. Abdullah bin Hamad Al Attiyah said that Qatari Diar offers its international experience and modern knowledge in the real estate market in Tajikistan, where the company created more than 100 jobs for Tajik citizens in the first phase, as it will provide more than 300 people with high-paying jobs during the second phase of construction. He stressed that the Diar Dushanbe project, which provides a quality of life and work, strengthens economic and political relations between the State of Qatar and the Republic of Tajikistan. He pointed out that Tajikistan was selected to house such a project for several reasons, including that it is a promising market due to the rapid increase in the population, favorable geopolitical location, developed tourist destination, and that Tajikistan is considered an emerging market with a thriving real estate sector that lacks international experience and real estate development. At the end of his remarks, Diar CEO Eng. Abdullah bin Hamad Al Attiyah said that since its inception, the company has been committed to achieving its vision. (Peninsula Qatar)
- **QT's campaign promotes Qatar as sought-after summer destination -** Qatar Tourism (QT) has unveiled its comprehensive plans to target international tourists and promote Qatar as an appealing summer destination, according to a statement shared with The Peninsula. Berthold Trenkel, the Chief Operating Officer of Qatar Tourism, outlined the strategic initiatives that will be implemented to attract travelers from around the world. A key strategy adopted by Qatar Tourism is the country's open visa policy, positioning Qatar as the most accessible country in the Middle East and the 8th most accessible globally in terms of visa facilitation, Trenkel explained. With visa-free entry already offered to 100 nationalities, Qatar aims to welcome and attract tourists from all corners of the globe. The recent expansion of the Hayya Platform has further simplified and unified the tourist visa processes, ensuring a seamless experience for visitors to Qatar. Qatar Tourism's central brand platform, known as "Feel More in Qatar," plays a crucial role in marketing the country as a distinctive and authentic destination. Through various marketing initiatives, the platform showcases Qatar's rich culture, heritage, cuisine, and warm hospitality. To cater to different types of travelers throughout the year, seasonal iterations of the platform are introduced. For example, "Feel Winter in Qatar" presented a diverse range of indoor and outdoor activities for families and adventure seekers, while Eid in Qatar featured enticing discounts, promotions, and entertainment to celebrate the joyous occasion. Trenkel said: "Looking ahead, our summer campaign is set to offer a dynamic season of events for both residents and visitors." The highly anticipated Qatar Live program, featuring a line-up of concerts and events, will continue to be a highlight. Additionally, the introduction of new and first-ever festivals aims to captivate visitors and provide them with an unforgettable experience. These initiatives strive to create an irresistible and lively atmosphere in Qatar during the summer months, establishing the country as a must-visit summer destination. Moreover, Trenkel emphasized that the summer campaign will contribute significantly to Qatar's long-term tourism strategy: "Qatar Tourism's summer campaign goes above and beyond in its efforts to attract tourists by offering a packed schedule of activities, enticing hotel promotions, and creating a vibrant atmosphere throughout the country." As part of the summer campaign, Qatar Tourism has curated an exciting list of activities and recommendations, catering to various interests. From family-friendly experiences to thrilling water activities, captivating indoor wonders, cultural offerings at museums and libraries, and a wide range of shopping possibilities at diverse malls across the country, Qatar Tourism aims to provide visitors with a memorable summer experience. Additionally, they have compiled a top ten list of Qatar beaches, showcasing the country's scenic coastal offerings. (Peninsula Qatar)
- **UN regional center for combating cybercrime to be set up in Doha -** The State of Qatar and the United Nations Office on Drugs and Crime yesterday signed the supplementary agreement to establish the United Nations regional center for combating cybercrime in Doha. The agreement was signed on behalf of the government of the State of Qatar, Secretary-General of the Ministry of Foreign Affairs H E Dr. Ahmed bin Hassan Al Hammadi, while Executive Director of the United Nations Office on Drugs and Crime Ghada Wali, signed on the United Nations side, at the United Nations headquarters in Vienna. The signing ceremony was attended by HE Sultan bin Salmeen Al Mansouri, Ambassador of the State of Qatar to the Federal Republic of Austria, and Permanent Representative to the United Nations and international organizations in Vienna. The signing of this agreement will allow the launch of the activities of the United Nations regional center for combating cybercrime in Doha during the next two months, and the center's activity covers the Middle East and North Africa region, as well as capacity-building at the global level if needed, as the center provides training and capacity-building for specialists in the countries of the region and in developing countries in general in the field of combating cybercrime, and this includes setting and planning policies and legislation to combat cybercrime, and exchanging experiences and information on cybercrime variables at the national and international levels. The establishment of the center comes at a time when the world is becoming increasingly aware of the importance of preventing and combating cybercrime, the dangers of which have increased in recent years, and its link and facilitation of transnational organized crime, drug trafficking, money laundering, and threats to the infrastructure, security and safety of states have increased, which prompted the United Nations to take a decision to start negotiating a comprehensive international agreement in the field of combating the use of information and communication technologies for criminal purposes, which is expected to be completed next year. The launch of the center as a result comes as a Qatari initiative to support international efforts to confront cybercrime in all its forms and names. It is an achievement added to the work of many international organizations that have opened centers for them at the United Nations House in Doha, in a way that enhances the growing role

of the State of Qatar in supporting multilateral diplomacy and advancing the three pillars of the United Nations, which are sustainable development, international peace and security, and human rights. (Peninsula Qatar)

- **IPA Qatar ties up with Kazakh Invest to boost investment -** The Investment Promotion Agency Qatar (IPA Qatar) has announced its partnership with Kazakh Invest, the national development institute that promotes sustainable socio-economic development of the Republic of Kazakhstan, aimed at strengthening business exchange and bilateral investment between Qatar and Kazakhstan. On the sidelines of the Astana International Forum 2023, Sheikh Ali Alwaleed Al-Thani, CEO, IPA Qatar and Meirzhan Yussupov, Chairman of the Management Board, Kazakh Invest signed the Memorandum of Understanding (MoU) in the presence of H.E. Sheikh Khalifa bin Jassim bin Mohammed Al Thani, Chairman of Qatar Chamber; HE Arman Issagaliyev Ambassador of Kazakhstan to State of Qatar; and Nurlan Zhakupov, CEO of the National Welfare Fund "Samruk-Kazyna". Under the terms of the agreement, IPA Qatar and Kazakh Invest will collaborate to facilitate knowledge and information exchange, as well as share expertise and best practices to promote investment opportunities between the two countries. Sheikh Ali Alwaleed Al-Thani, CEO, IPA Qatar, said: "As the largest economy in Central Asia in both absolute and per capita terms, Kazakhstan is a long-standing trading hub that poses incredible potential for investors from Qatar and vice versa. We are delighted to welcome Kazakh Invest as an international partner that shares in our ambition to attract foreign direct investment, promote business success and foster strong alliances that can advance our countries' growth objectives." Meirzhan Yussupov, Chairman of the Management Board, Kazakh Invest, noted: "Through this strategic partnership with IPA Qatar, we aim to create a robust platform for business collaboration and investment between Kazakhstan and Qatar. Kazakhstan's strong economic standing and its potential as a gateway to Central Asia make it an attractive destination for Qatari investors. By sharing knowledge, expertise, and best practices, we can unlock new opportunities and drive mutual growth and prosperity for our countries." The IPA Qatar – Kazakh Invest partnership represents a significant milestone in deepening the economic ties between the two countries. It also sets the foundation for creating new avenues for business growth and fostering innovation. (Qatar Tribune)

- **MoI to release final lists of candidates for CMC elections today -** The Ministry of Interior (MoI) will release today the final lists of candidates in the elections of the 7th Central Municipal Council (CMC) in a prelude to initiate the electoral campaign in accordance with the elections scheduled for June 22, 2023.The timetable of the CMC elections specifies the launch of elections campaign starting from the day of announcing the final timetables of candidates on June 11 and will last until the staging of election silence that precedes the polling day. According to the rules regulating CMC's election campaign issued by the decision of the Minister of Interior No. 7 of 1998, each candidate shall obtain a permit from MoI prior to embarking on their campaigns in accordance with the conditions set by the Ministry. Also, it is not allowed for the media of electoral campaign to include any tribal or sectorial propensities. Moreover, slogans, expressions and photos used in the electoral campaign should not be contradictory to religious and social values of the Qatari community and ensure that electoral campaign should never be punctuated by any violations against the prevalent public morals or traditions in the community. The same rules prohibit engaging in organizing and convening electoral meetings, giving speeches, placing posters, advertisements, or photos on places of worship, institutes and education's facilities, governmental buildings, buildings of public authorities and institutions, electrical or telephone poles within or without polling stations. The rules regulating the electoral campaign also stipulate that it is not permissible to use the official emblem of the state in meetings, advertisements, electoral bulletins, and posts and in all other writings and pictures used in electoral campaign. Candidates shall not offend other candidates directly or indirectly or question their aptitude or instigating tribalism or sectarianism among citizens' segments or impinging on private matters. The rules compel candidates to remove electoral advertisements, posters and bulletins or any kind of advertisement media, at their own expense once electoral process is completed. In addition, MoI is entitled to abrogate the permit offered to candidates if they violate the conditions for which the permit has been granted, including the provisions set forth in this decision. The ministry is also entitled to remove slogans, pictures, writings, and other postings that violate this decision at the expense of the violator through a direct administrative way. (Peninsula Qatar)

International

- **IMF urges Fed, central banks to keep tightening to reduce inflation-** The International Monetary Fund on Thursday urged the US Federal Reserve and other global central banks to "stay the course" on monetary policy and remain vigilant in combating inflation. IMF spokesperson Julie Kozack said inflation momentum has slowed in the United States but remained a pressing concern. The IMF warned in April that lurking financial system vulnerabilities could erupt into a new crisis and slam global growth this year, edging its 2023 global growth forecasts lower. It forecast real GDP growth of 2.8% in 2023 and 3.0% in 2024 - one-tenth of a percentage point lower than what it predicted in January for each year. The global economy grew 3.4% in 2022. (Reuters)

- **US weekly jobless claims race to 1-1/2-year high, economists urge caution-** The number of Americans filing new claims for unemployment benefits surged to the highest level in more than 1-1/2 years last week, but layoffs are probably not accelerating as the data covered the Memorial Day holiday, which could have injected some volatility. The largest increase in applications in nearly two years reported by the Labor Department on Thursday was driven by rises in Ohio, Minnesota and California. After rampant fraud in Massachusetts briefly boosted claims to a 1-1/2-year high in May before being revised away, economists cautioned against reading too much into the latest rise. Initial claims for state unemployment benefits jumped 28,000 to a seasonally adjusted 261,000 for the week ended June 3, the highest level since October 2021. Economists polled by Reuters had forecast 235,000 claims for the latest week. The four-week moving average of claims, considered a better measure of labor market trends as it strips out week-to-week volatility, rose 7,500 to 237,250. (Reuters)

- **US wholesale inventories revised up in April -** US wholesale inventories fell a bit less in April than initially estimated, which could provide a lift to economic growth in the second quarter. The Commerce Department said on Thursday that wholesale inventories slipped 0.1% instead of falling 0.2% as previously reported last month. Stocks at wholesalers dropped 0.2% in March. Economists polled by Reuters had expected that inventories would be unrevised. Inventories are a key part of gross domestic product. They increased 6.3% on a year-on-year basis in April. Private inventory investment rose at its slowest pace in 1-1/2 years in the first quarter, helping to restrict GDP growth to a 1.3% annualized pace in that three-month period. Wholesale motor vehicle inventories rose 0.3% in April after increasing 2.0% in March. But inventories of furniture, lumber, computer equipment and professional equipment fell. Machinery inventories increased 2.1%. Sales at wholesalers rebounded 0.2% after dropping 2.7% in March. At April's sales pace it would take wholesalers 1.40 months to clear shelves, down from 1.41 months in March. (Reuters)

- **Indeed: UK wage growth outstrips US and EU rises -** British wage growth accelerated in the three months to May, in contrast to a downward trend in advertised salaries in the United States and the euro zone, according to figures from recruitment website Indeed released on Thursday. While markets expect the U.S. Federal Reserve to pause its rate-hiking cycle next week, the Bank of England is forecast to raise rates for a 13th consecutive meeting on June 22, and most likely take rate to 5.5% by November from 4.5% now. (Reuters)

- **UK house prices set to slide 10%, Moody's warns -** House prices in Britain are likely to fall 10% over the next two years and a more severe downturn in the housing market could trigger a lengthy recession, credit ratings agency Moody's said on Thursday. Interest rates offered by mortgage lenders have soared in response and are now far above 5% for two-year deals, compared with rates of less than 3% only a year ago. Moody's said a bigger decline in house prices of around 21% would have much wider implications for the economy. A Reuters poll of economists and property analysts published last week showed house prices are likely to fall 3% this year, before flat lining in 2024. (Reuters)

- **UK housing market strains grow as mortgage rates creep higher -** Mortgage rates in Britain rose again on Friday as economists warned that rising borrowing costs would put the housing market under renewed strain. The average rate on a two-year mortgage deal across the range of loan-to-value ratios rose on Friday to 5.82%, compared with 5.30% a month ago, financial data provider Moneyfacts said. British house prices in March were 3% down on their all-time peak of November 2022, at which point they were 27% higher than before the COVID-19 pandemic, according to official data. (Reuters)
- **China's central bank upbeat on Q2 GDP growth, confident on 2023 targets -** China's economic growth is expected to be "relatively high" in the second quarter compared to the prior year, mainly due a low base of comparison, while consumer inflation is projected to be above 1% by December, the central bank governor said. China's economy is facing challenges including rapidly worsening exports, a high youth jobless rate, property distress and weak domestic demand, but Yi said China is confident and capable of meeting the growth goals set earlier this year. (Reuters)
- **China's factory deflation steepens as demand wanes -** China's factory gate prices fell at the fastest pace in seven years in May and quicker than forecasts, as faltering demand weighed on a slowing manufacturing sector and cast a cloud over the fragile economic recovery. As rising interests' rates and inflation squeeze demand in the United States and Europe, China is in contrast battling a sharp decline in prices with factories receiving less for their products from key overseas markets. The producer price index (PPI) for May fell for an eighth consecutive month, down 4.6%, the National Bureau of Statistics (NBS) said on Friday. That was the fastest decline since February 2016 and bigger than the 4.3% fall in a Reuters poll. The consumer price index (CPI) rose 0.2% year-on-year, speeding up from a 0.1% rise in April but, missing a forecast for a 0.3% increase. Food price inflation, a key driver of CPI, slowed to 1.0% year-on-year from 2.4% in the previous month. On a month-on-month basis, food prices fell 0.7%. (Reuters)
- **Bank of Japan's Ueda flags shift in corporate pricing, upward inflation bias -** Bank of Japan Governor Kazuo Ueda said the country's corporate price-setting behavior was showing changes that could work to push up inflation more than expected, suggesting the economy was making steady progress toward hitting its 2% price target. By supporting the economy, the central bank aims to generate a positive cycle in which inflation-adjusted wages will start increasing, he added. Japan's core consumer inflation hit 3.4% in April, exceeding the BOJ's 2% target for over a year, as companies continued to pass on rising raw material costs to households. Inflation-adjusted real wages fell 3.0% in April to mark the 13th straight month of declines in a sign the rising cost of living was squeezing households' purchasing power. The economy has held up so far, expanding by an annualized 2.7% in the first quarter on robust capital expenditure. In a positive sign for consumption, average summer bonus payments this year are likely to rise 2.4% from year-before levels, think tank Teiko Data Bank said on Friday. (Reuters)

Regional

- **Report: GCC countries keep shadow economy in check -** The GCC countries boast a remarkably small shadow economy, with informal businesses accounting for just 18% of total GDP of the region, which is significantly below the global average, according to a new report. It is estimated that the shadow activity accounts for 15% of GDP in Saudi Arabia, 17% in Bahrain, 22% in Kuwait, and 24% in the UAE and Oman. This is significantly below the global average of approximately 28% and closely aligns with OECD countries, which stand at around 15%, according to the global management consulting firm Arthur D. Little. 'Building on this strong position, integrating shadow businesses into the formal economy remains a top priority across the GCC,' the report noted. Arthur D. Little Wednesday released an exclusive viewpoint report titled 'Delivering Inclusive Growth'. The report outlines recent initiatives and presents innovative strategies designed to further diminish the shadow economy and bolster SMEs by enhancing economic and financial inclusion. According to the report, the GCC is spearheading the battle against the shadow economy in the Middle East and North Africa region by implementing effective policies and ideas that incentivize shadow businesses to participate in the formal economy. Measures include improving tax enforcement, promoting the formalization of small businesses, advancing digitalization, fostering transparency, and boosting financial inclusion through the provision of financial services and greater access to credit. In the UAE alone, SMEs employed more than 86% of the private sector labor force as of mid-2020 and accounted for over 60% of GDP. Meanwhile, Saudi Arabia aims for SMEs to contribute 35% by 2030, and Bahrain set a target of 50% to be achieved by the same year. Stephane Ulcakar, principal at Arthur D. Little Middle East, said, "By integrating key enablers such as streamlined regulations, enhanced tax oversight, accessible financial services, and a level playing field, the GCC region can establish a robust foundation for the growth and development of the formal economy. These concerted efforts not only reduce incentives for individuals and businesses to operate in the shadow economy but also foster a more inclusive and sustainable economic landscape." "As the GCC countries continue to demonstrate remarkable progress, these strategic measures will further empower SMEs as vital drivers of economic growth, innovation, and resilience, ultimately contributing to the long-term prosperity of the entire region," he added. GCC accelerating inclusive growth: To ensure a robust enabling SME ecosystem, Arthur D. Little advised that the governments must lead with an orchestrated and coordinated approach and offer solutions that harmonize design, technology, and data. Moreover, such an ecosystem requires that various ministries and government entities establish shared objectives to circumvent siloed approaches. 'Key enablers of this ecosystem include a strong legal framework, straightforward and transparent taxation, artificial intelligence and digital solutions, access to finance, investment, market access, lucid and effective labor laws, comprehensive infrastructure, and education and awareness,' the report noted. It said that the GCC countries are forging a path toward achieving what has eluded virtually every government in the last century: state-driven economic transformation with a citizen-centric approach. 'But there is more to do; the region's leaders recognize the need for a thriving and sustainable SME sector to guarantee growth and resilience for the entire economy, and they have positioned this need at the heart of their policies,' the report added. (Zawya)
- **China-GCC FTA will help 'unlock new opportunities' for region -** A Free Trade Agreement (FTA) between China and GCC is a "game-changer" that would boost the region and "galvanize Middle Eastern economic transformation", according to a former Lebanese minister. Although the deal is yet to be signed, there is a strong indication it will be finalized after China's Foreign Minister Qin Gang requested for it to be done "as soon as possible" following a telephone call with Saudi Arabia's Foreign Minister Prince Faisal bin Farhan earlier this year. Writing exclusively for Arabian Gulf Business Insight (AGBI), a next-generation business news platform, Dr. Nasser Saidi, who served as Lebanon's Minister of Economy and Industry, believes the landmark agreement can open many opportunities, benefitting both China and countries such as the UAE and Saudi Arabia. Largest export market: Today, China accounts for one-fifth of the GCC's total trade and is the largest export market for the region. With energy a key focus, he believes an FTA that removes "trade barriers would boost trade investment linkages" and is likely to have a positive impact on a wide range of sectors such as direct investment, technology, climate, and the environment. "Laws and regulations would be modernized to accommodate the provisions of the FTA, thereby accelerating domestic economic reforms in the GCC," he said. Higher incomes: "These gains from trade, investment, and technology transfer would generate higher incomes and growth rates for the GCC and, through spill-over effects, raise growth rates in the wider Mena region." The energy sector would be at the core of the agreement. He said: "China is a world leader in renewable energy technology, becoming the strategic partner for the GCC as it diversifies its energy mix through investment in renewables and climate tech." Dr Nasser added: "FTA would also lead to a rapid expansion of trade and investment in digital trade and financial services, hi-tech, renewable energies and climate tech, AI, automation and robotics." A fundamental sector that would reap the rewards from an FTA would be tourism. Other countries in the region would be added to China's "approved list" – joining the UAE while collaboration between the governments and China can

help enhance infrastructure, transport networks, and logistic operations. GCC investors would also have "privileged access to Chinese opportunities, free of exchange and capital controls" while the "symbiotic relationship" between Chinese and GCC sovereign wealth funds – the largest in the world, will not only be deepened but also strengthen their global financial market power. (Zawya)

- **GCC offers credible program for carbon offset credit -** Carbon credits issued by the Doha-based Global Carbon Council (GCC) follow a strict program with accreditation from the United Nations (UN) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) program and the International Carbon Reduction and Offsetting Accreditation (ICROA). The GCC, a part of the Gulf Organization for Research and Development (GORD), is the Middle East and North Africa's (MENA) first voluntary carbon market with international reach. It facilitates global stakeholders in implementing climate actions through a voluntary carbon offsetting program and is the only CORSIA-accredited international program in the Global South. Speaking to the media during a recent roundtable at the Qatar Science and Technology Park (QSTP), the Chief Operations Officer (COO) at GCC, Kishor Rajhansa, said when the GCC certifies an entity as carbon neutral, it has followed best practices and strives to prevent double accounting of the offset. "A good program has to be behind the carbon credit issuance, and the organization making carbon neutrality claim should do their part most before going on the route of carbon credit," Rajhansa said, adding that GCC issues one carbon credit to one ton of carbon dioxide reduction, which is the standard practice. Governments and organizations are encouraged to embrace carbon off-setting and the voluntary carbon market to avoid worsening the effects of climate change and meet the Paris Climate Agreement goals of averting a further rise in temperatures beyond 1.5 degrees. The carbon market links available carbon credits with the needs of organizations and investors who seek to decrease their carbon footprint. Carbon credits, created by offsetting, can be traded, representing the right to emit one metric tonne of carbon dioxide (CO2) or an equivalent amount of other greenhouse gases (GHG). These credits can then be bought and sold on the voluntary carbon market. However, there have been arguments that the market is rife with low-quality carbon projects that do not deliver on climate benefits, pose serious negative consequences for biodiversity and human rights, and some-times double accounting. Rajhansa said that to achieve carbon neutrality, organizations need to measure their carbon footprints and reduce as much as possible until it becomes exorbitantly costly for the organization to reduce it further. He added that while carbon offsets bring the economics of carbon neutrality on the ground because if it becomes costly to claim carbon neutrality when organizations buy credits, they must ensure that another entity does not use the same credits to claim carbon neutrality – discouraging double accounting of the carbon offset. "So when double accounting comes into the picture, then questions are raised about the carbon credits process," Rajhansa added. Head of Technology and Innovation, GORD Institute Dr. Ammar Elhourweires added that for researchers, proposing technologies that have environmental benefits or offset carbon emissions are attractive to the carbon market. "With the carbon markets, what that brings you is a finance facility. Suppose your product, project or technology has some capability to mitigate, reduce or completely offset carbon emissions. In that case, you can get the carbon credits and incorporate them into your business model, making it more attractive and economically viable. So many technologies which are lingering and aren't able to be marketed because they're not feasible eco-nomically become more attractive with this approach." (Peninsula Qatar)

- **IMF: Saudi economy booming; surplus at decade-high -** The Saudi economy is booming, spurred by high oil prices, a strong pick up in private investment and reform implementation, says a finding by IMF staff. The current account surplus has reached a decade-high and inflation is contained. Uncertainty in the global economy -- both impacting financial conditions and oil prices -- requires continued efforts to further build buffers and diversify the economy, the report said following an official IMF staff visit to Saudi Arabia. Going forward, continued fiscal reforms, coupled with careful calibration of investment programs, will help strengthen fiscal and external sustainability while implementation of the impressive structural reform agenda will help generate a strong, inclusive and more sustainable growth, it said. RECENT ECONOMIC DEVELOPMENTS: Saudi Arabia was the fastest growing G20 economy in 2022. Overall growth reached 8.7%, reflecting both strong oil production and a 4.8% non-oil GDP growth driven by robust private consumption and non-oil private investment, including giga projects. Wholesale, retail trade, construction, and transport were the main drivers of non-oil growth. The output gap is estimated to have closed during 2022 and the momentum is continuing in 2023, with nowcasting estimates suggesting non-oil growth above 5% in H1 2023. The Saudi unemployment rate is at a historical low. Amid an increase in labor force participation, total unemployment dropped to 4.8% by end-2022 -- from 9% during Covid -- reflecting both an increase in Saudi workers in the private sector and expatriate workers (mostly in the construction and agricultural sector) rising back above pre-Covid levels. Youth unemployment was halved to 16% in 2022 over the past two years while female participation in the labor force reached 36% in 2022, exceeding the 30% target under Vision 2030, the IMF mission said. Despite booming economic activity, inflation remains low and appears to be easing. Average CPI grew by 2.5% y-o-y in 2022, in part contained by domestic subsidies/price cap and a strong US dollar. Despite an uptick in early 2023 to 3.4% y-o-y, headline inflation is back at 2.7% y-o-y in April 2023, as declining contributions from transport and food prices offset the substantial increase in rent. Some wage pressure was observed for low skilled workers and highly specialized workers, but average wages remain flat. Higher oil prices and stepped-up oil production improved the current account to a 10-year high surplus in 2022. However, the 13.6% of GDP surplus did not lead to a corresponding increase in official reserves in view of the large accumulation of assets abroad. Reserves fell by $30bn in April 2023 relative to 2022 -- but remain at comfortable levels (about 20-month import cover). POSITIVE OUTLOOK WITH BALANCED RISKS: Non-oil growth momentum is expected to remain strong. While the April 2023 Opec+ production cuts would reduce overall real growth to 2.1% in 2023, non-oil growth is expected to average 5% in 2023 and remain above potential as strong consumption spending and accelerated project implementation boost demand. Headline inflation will be contained in 2023. At 2.8%, the average CPI will be slightly higher than in 2022, even though a strong currency, subsidies, and gasoline price cap offset inflationary pressures from diminishing labor market slack and a booming non-oil economy. The significant improvement in the current account is expected to abate as oil prices stabilize and imports pick up, supported by a sizable investment program. Reserves are expected to stabilize at slightly lower levels of import coverage over the medium term, albeit remaining well above standard reserve adequacy metrics. Risks to the outlook are balanced. On the upside, higher oil prices -- as expectations of strong oil demand for the rest of the year persist -- possible change in Opec+ oil production cuts and accelerated structural reforms and investment could spur growth. Conversely, too rapid a rise in non-oil investment could further raise domestic demand, thereby adding pressure on prices and external accounts. On the downside, lower oil prices due to subdued global activity represent a key short-term risk while a quicker shift in demand for fossil fuel could hamper growth in the medium to long term, the report said. POLICIES: Favorable oil market dynamics strengthened the fiscal position, creating space for additional spending that was not initially budgeted for. The fiscal surplus in 2022 -- the first since 2013 -- was halved relative to staff's initial projection of 5.5% of GDP. This mostly reflect increases in goods and services and capital spending. About 2.5% of GDP of additional expenditures were estimated to be one-off non-recurrent spending (about half in goods and services), the mission report said. At 23% of GDP public debt is low and sustainable, with fiscal space available to address potential headwinds. In 2023, lower oil revenue would shift the fiscal surplus back to deficit. Robust non-oil revenue and lower spending -- mostly because of one-off expenditure cuts -- would improve the non-oil deficit, which would however remain considerably higher than budgeted. Potential additional dividends from Aramco could improve the fiscal position, the report said. Sustaining medium-term fiscal consolidation would be necessary to ensure intergenerational equity. IMF staff's analysis shows that the higher-than-initially planned increase in spending (until 2030) would prolong the transition phase to achieve the medium-term fiscal stance consistent with stabilizing the Central Government Net Financial Asset (CGNFA) ratio. The mission supports the authorities' plans for continued fiscal prudence and medium-term fiscal consolidation. To mitigate risks from oil price volatility, it recommends additional fiscal adjustment, building on the impressive reforms already initiated: • Non-oil revenue collection should continue to be prioritized. Tax reforms should build on strong efforts made to close the tax gap with the G20 average, including through a broader reform that at least maintains the VAT rate at 15% and rationalizes tax expenditures. Such reforms should be accompanied by strengthened tax administration. • Energy price reforms. The welcome measures taken in 2021-22 -- such as increasing prices for heavily subsidized diesel and asphalt—were not enough to prevent a rise in energy subsidies (as measured by the government compensation to the national oil company, Aramco) in 2022. In addition to the sizable diesel price increase implemented already in 2023, the mission recommends going further by lifting the cap on gasoline prices and adjusting the current formula to allow faster increases for electricity and other fuel prices. • Strengthening the safety net. The mission welcomes the elaboration of a new social protection strategy and move to a single social registry. To accompany the higher pace of energy subsidy removal, the mission recommends scaling up well-targeted social programs -- such as the needs-based Damaan program -- which could also be supported through savings from a narrower coverage of the existing Citizens' account program. • Expenditure rationalization. Main priorities are to continue rationalizing the public sector wage bill, including through the ongoing strategic workforce planning and review, greater efficiency in public investment including through the ongoing work of the Spending Efficiency and Governmental Projects Authority, and full utilization of the expenditure chain (ETIMAD). (Zawya)

- **Al-Rajhi: Over 500,000 Saudis joined labor market since 2019 -** Minister of Human Resources and Social Development Ahmed Al-Rajhi reaffirmed Saudi Arabia's keenness on achieving sustainable social welfare, which contributed to a significant increase in employment opportunities in various fields. Al-Rajhi also drew attention to the success of the decisions and policies concerned with the Kingdom's labor market saying that this was contributed to joining of more than half a million citizens in the labor market since 2019, bringing the number of employed citizens to more than 2.2mn in the private sector. Al-Rajhi said this in his speech, while heading the Saudi delegation participating in the International Labor Conference in Geneva. Delegates from 187 countries are attending the conference. He said that Saudi Arabia's keenness on achieving sustainable social welfare has also been instrumental in bringing down unemployment rates to 4.8% by the end of last year," he said while noting that this is a record that has never been achieved before. The minister highlighted the Kingdom's efforts to achieve social justice and equality among individuals, by providing support and financing programs for jobseekers. This is in addition to other programs for social financing, care and rehabilitation for those who are in need of permanent aid, to build a stable and balanced society. He stated that the decisions of Saudization, and development of skills and provision of training have contributed to increasing employment rates and attracting the required national cadres in the qualitative, technical and technological professions. "Other policies and programs in the labor market had a tangible role in restructuring the Saudi labor market so as to ensure the empowerment of Saudi youth and women and increase the competitiveness of citizens compared to expatriates," he said. Al-Rajhi pointed out that the rate of economic participation of Saudi women aged 15 years and above reached 36% by the end of 2022, and the share of women workforce in the labor market increased from 21.2% in 2017 to 33.6% by the end of 2022. He stressed that the Kingdom is regarded among the developed countries in the sub-indicator 'equal pay for similar work.' The Kingdom also came close to closing the wage gap between the sexes, achieving a score of 0.758%, surpassing the global average in fairness of wages. With regard to children, the minister reviewed the Kingdom's efforts to protect them from various types of abuse, neglect, discrimination and exploitation, within the framework of the Kingdom's policy against child labor. Al-Rajhi also highlighted the National Anti-Harassment Law approved by the Kingdom in 2018. Al-Rajhi also focused on the Kingdom's efforts in providing humanitarian, development and charitable assistance, by providing grants and soft loans to various countries of the world without discrimination on the basis of color, religion or race, as the Kingdom is one of the ten largest countries in the world in providing humanitarian aid. (Zawya)
- **Saudi Arabia wins seat in UNWTO executive council -** The Kingdom of Saudi Arabia has won a seat in the UN World Tourism Organization (UNWTO) Executive Council from 2023 to 2027 for the Middle East region. The Kingdom has been elected as member of the work team in charge of "Redesigning Tourism for the Future," which was formed under an initiative introduced by the Kingdom of Saudi Arabia during the 24th General Assembly of the UNWTO in 2021. The formation of the work team aims at enhancing the role played by the UNWTO as a pioneering foundation in the global tourism sector. The Kingdom's election to the UNWTO Executive Council came amid the Kingdom of Saudi Arabia's participation in the 49th meeting of the UNWTO Regional Commission for the Middle East hosted by the Hashemite Kingdom of Jordan June 7 to 9, 2023. The Minister of Tourism, Ahmed bin Aqeel Al-Khateeb, led the Kingdom of Saudi Arabia's delegation participating in the 49th meeting of the UNWTO Regional Commission for the Middle East. (Zawya)
- **Saudi Arabia overtakes China as Kenya's top import market -** Saudi Arabia overtook China, India and the United Arabs Emirates (UAE) to become Kenya's biggest single import market for the first time, underlining the weight of petroleum products in driving the country's trade deficit. Goods imported from the Middle East's largest economy jumped nearly three times to Ksh32.27bn ($231.82mn) in March on increased orders of diesel from Ksh8.44bn ($60.63mn) a month earlier, data released by the Kenya National Bureau of Statistics show. This was the highest import bill for the month ahead of China (Ksh30.34bn - $217.96mn), India (Kh27.32bn - $196.26mn) and the UAE (Ksh13.93bn - $100.07mn). The KNBS data show the surge in imports from Saudi Arabia in March was largely driven by increased shipment of gas oil (diesel), the bulk of which was previously sourced from the UAE. The increased purchase of diesel from Saudi as opposed to the UAE came before the first consignment under the government-to-government fuel import deal that was inked with Saudi Arabia and the United Arab Emirates on March 10 arrived in Mombasa. Diesel replaces jet fuel The KNBS data showed diesel replaced jet fuel as the top import by value from the world's second producer of oil, despite not featuring in the top three goods bought from Saudi Arabia in the previous months. Oil marketers shipped in nearly 123.61mn liters of gas oil at a cost of Ksh13.84bn ($99.43mn) in the review month, followed by jet fuel (Ksh6.75bn - $48.5mn) and fertilizer (diammonium phosphate) at a value of Ksh6.51bn ($46.77mn). This was unlike in February when top imports from Saudi Arabia were jet fuel at Ksh3.66bn ($26.29mn) followed by butanes (cooking gas) at Ksh1.06bn ($7.61mn) and polypropylene (plastics) at Ksh648.16mn ($4.66mn). The leading exports from Saudi Arabia to Kenya in March of last year were jet fuel (Ksh2.78bn - $19.97mn), fertilizer (Ksh2.57bn – $18.46mn) and cement clinkers (Ksh1.16bn - $8.33mn). China has for more than a decade been Kenya's largest source market for goods such as electrical and electronic equipment, machinery, iron and steel, plastics, articles of apparel and furniture. Petroleum products have in the past year become the biggest driver of Kenya's import bill owing to high global prices. Increased sourcing of petroleum products from the UAE saw the Middle East country leapfrog China and India to become the largest source of imports by value between December and February. Volatile price a challenge The William Ruto administration has, through the 2023 Budget Policy Statement (BPS), labelled the increasingly volatile price of the commodity a "challenge for consumers and economic stability". The cost of energy and transport has a significant weight in the basket of goods and services that is used to measure inflation in the country. "Transport, as a component of household budgets, is affecting the cost of living," Dr Ruto said on June 1. "We have to liberate Kenyans from reliance on transport that depends on petroleum. For this reason, we are rolling out an electric vehicle public transport system which will bring down the cost of transport significantly," he added. The President has said the highly ambitious plan will start taking shape with the nascent electrical motorcycle assembly industry up and running from September. This will be at the end of the March 10 government-to-government deal with Saudi Arabia and UAE for the supply of petroleum products with a six-month credit period in a bid to ease pressure on demand for dollars by local oil marketers. Kenya is currently getting fuel on credit under the deal the Ruto administration brokered with Saudi Arabia's State-owned Aramco as well as UAE's Emirates National Oil Corporation (Enoc) and the Abu Dhabi National Oil Corporation Global Trading (Adnoc). Aramco is supplying the country

through Oryx and Galana, Adnoc picked Gulf Energy to supply diesel and jet fuel while Enoc also settled on Gulf Energy to import super. Kenya is racing against time to catch up with the rest of the world in the shift to clean mobility, with scores of automakers and governments announcing they will completely phase out diesel and petrol-powered vehicles by 2040. The Treasury has pledged to provide financial and tax incentives for public service vehicles and commercial transporters which shift to electric vehicles. "The government will roll out electric vehicle (EV) charging infrastructure in all urban areas and along the highways and create incentives for adoption of electric mass transit systems in all cities and towns," Treasury Cabinet Secretary Njuguna Ndung'u wrote in the BPS. Expenditure on importation of petroleum products shot up 72.13% to Ksh656.62bn ($4.72bn) last year, pointing to record high growth which prompted the previous administration of former President Uhuru Kenyatta to cushion consumers on the purchase of petroleum products to stem inflationary pressures on key sectors such as transportation, manufacturing and agriculture. The fuel price stabilization scheme cost taxpayers Ksh81bn ($581.9mn) in the financial year ended June 2022, for instance, highlighting the impact of State intervention on the country's revenue. (Zawya)

- **Saudi Arabia to host 10th Arab-China Business Conference next week -** The 10th edition of the Arab-China Business Conference and the 8th Investment Symposium will kick off in Saudi Arabia on 11 June 2023. The event is hosted by the Saudi Ministry of Investment and Ministry of Foreign Affairs in Riyadh for two days under the theme "Collaborating for Prosperity," with expectations to be the largest of its kind with over 2,000 individuals attending, according to a press release. The forum aims to boost trade relations between China and the Arab world, bringing together high-level government and private sector speakers from two dozen countries to explore beneficial investment opportunities in major economic industries. Khalid Al Falih, Minister of Investment of Saudi Arabia, said: "Trade and cultural ties between Arab countries and the People's Republic of China extend over 2,000 years, but have deepened significantly given the complementary nature of our economies in sectors critical to the global economy." Al Falih noted: "The Arab-China Business Conference will enable public and private sector participants to discuss the future of these collaborations." The forum is being held in partnership with the General Secretariat of the League of Arab States, the Chinese Council for the Promotion of International Trade, and the Union of Arab Chambers of Commerce. The 10th edition of the conference will tackle several sectors that are fundamental to the Arab-China trade and investment relationship such as construction, logistics, financing, manufacturing, mining, minerals, and petrochemicals. It will further focus on emerging areas of shared interest like tourism, entrepreneurship, and e-sports, besides The Kingdom's recently launched Special Economic Zones (SEZs), which aim to welcome foreign direct investment (FDI) in nascent and mature industries. In 2022, the value of trade exchange between the Arab countries and China amounted to SAR 1.60tn, equivalent to $430bn, which marked a 31% growth over 2021. It is worth noting that Saudi Arabia is the leading trade partner with China among the Arab countries, contributing nearly 25% to the total volume of trade. Trade between Saudi Arabia and China stood at nearly SAR 400bn which is equivalent to $106bn, signaling a 30% annual increase. (Zawya)
- **Minister: Saudi - British trade exchange exceeds $21.33bn in 2022 -** Minister of Commerce Majed Al-Qasabi said that the volume of trade exchange between Saudi Arabia and Britain reached SR80.7bn (17.3bn sterling pounds) during the year 2022. The minister made the remarks on the sidelines of the UK Saudi Business, Trade and Partnership Forum, organized by the Saudi British Joint Business Council (SBJBC) here on Wednesday. Al-Qasabi said the volume of Britain's investments in Saudi Arabia amounted to SR26.5bn (5.7bn sterling pounds) in two years. "We set targets for trade and foreign exports between Saudi Arabia and Britain," he said while pointing to the growth of Saudi exports to Britain by 130% last year. The minister pointed out that 165 British investors are currently in Saudi Arabia, while about 14,000 young Saudis are studying in Britain. "We met with the British side on the sidelines of the forum and we look forward to benefiting from British expertise in the services sector," he said while explaining that there are great investment opportunities between the two sides. Saudi Arabia is interested in increasing investment in new innovative sectors, Al-Qasabi said adding that the Kingdom aims to attract investors and companies in the innovation sectors. The one-day forum reviewed the progress of Saudi Vision 2030 implementation since its launch in 2016 and the opportunities for further UK/Saudi trade, investment and expertise exchange. It also discussed the scope for increased private sector engagement in the already strong cooperation between Saudi and UK in financial & professional services, clean energy, education, healthcare and creative industries following signature of the UK/Saudi Strategic Partnership Agreement in 2018 and the establishment of a Strategic Partnership Council. The Forum, which was attended by a large Saudi public and private delegation, included extensive networking opportunities. (Zawya)
- **Chinese investors flock to Riyadh conference seeking new markets, capital -** Chinese entrepreneurs and investors are flocking to Riyadh this week to attend a business conference, which will bring together business and government leaders aiming to explore expansion and fundraising opportunities, amid warming diplomatic relations. Saudi Arabia will be hosting the 10th Arab-China Business Conference, the first such forum since Chinese President Xi Jinping's 'epoch-making' visit to the Gulf state, which Beijing described as the biggest diplomatic initiative in the Arab world. The gathering on Sunday and Monday will take place two days after U.S. Secretary of State Antony Blinken visited Saudi Arabia as Washington works to mend frayed ties with its closest ally in the Middle East. Deepening cooperation between Riyadh and Beijing in security and sensitive high-tech has been a major U.S. concern. The business conference will draw about 2,000 attendees from Greater China, in what will be one of the region's biggest-yet business delegation to Saudi Arabia, according to one person with direct knowledge of the matter. The gathering between the world's second-largest economy and Gulf energy giants comes as economic slowdown and geopolitical tensions have made fundraising and expansion challenging for many Chinese funds and companies. "From the perspective of both capital and new market, the Middle East, Saudi Arabia are really good new choices for Chinese companies and investors," said Henry Zhang, president of Hong Kong-based private equity firm Hermitage Capital. Zhang, who will travel to Riyadh and attend the conference for the first time along with a number of portfolio companies, said he hopes the trip can help his investees explore the local market and help himself understand the real demands of Middle Eastern investors for Chinese funds. "Since late last year, a large number of Chinese funds have rushed to the Middle East looking for new investors. In light of this, what we have to think about is what the potential investors want and how we can differentiate ourselves." The event also comes as Saudi Arabia, the world's top crude exporter and largest Arab economy, aims to cut oil dependence and modernize the country with new industries under its economic agenda - Vision 2030 while deepening ties with Beijing. (Zawya)
- **UAE: MoHRE holds 100 recruitment open days with participation of over 340 companies -** The Ministry of Human Resources and Emiratization (MoHRE) has organized 100 recruitment open days across the UAE from January to May 2023, with the participation of over 340 private sector companies that offered Emiratis job opportunities. The open days were held in partnership with local human resources departments, Majalis across the UAE, as well as the Higher Colleges of Technology, Zayed University, University of Dubai, and the Fatima College of Health Sciences, for jobs which were advertised on the Nafis platform. Farida Al Ali, Assistant Undersecretary of National Human Resources Employment at MoHRE, said, "The recruitment open days, organized in collaboration with the private sector, play a vital role in facilitating the employment of Emiratis by organizing immediate job interviews based on the vacancies and job descriptions." According to Al Ali, the growing demand from young nationals for open days underlines their eagerness to contribute their best abilities and enhance their position in the UAE job market. "The Ministry is looking for appropriate job opportunities and accordingly is working with private sector partners to secure job interviews, monitor interview results, evaluate the rate of acceptance and employment, and address any obstacles to guarantee the best results," she explained. According to the Ministry data, as of the end of May 2023, more than

68,000 UAE nationals were employed in over 16,000 establishments across all fields in the private sector. (Zawya)

- **UAE and Cambodia sign partnership deal to double non-oil trade -** The UAE and Cambodia have signed an economic partnership that is expected to more than double non-oil bilateral trade from 1.5bn UAE dirhams ($407mn) in 2022 to 3.67bn UAE dirhams ($1bn) within five years. The Comprehensive Economic Partnership Agreement was signed in Phnom Penh by Dr. Thani bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, and Pan Sorasak, Cambodia Minister of Commerce. The partnership seeks to eliminate or reduce customs duties, remove unnecessary trade barriers, facilitate investments, open market access to services exports, and create more opportunities for businesses to forge new partnerships. "It will not only contribute to our goal of doubling non-oil foreign trade by 2031 but also expand our presence in the rapidly growing economies of South-East Asia, opening new doors for exporters to reach millions of consumers," Dr Thani bin Ahmed Al Zeyoudi said about the partnership. In 2022, trade between the UAE and Cambodia surged 33% compared to 2021 and 28% compared to 2019. The UAE is also a top trading partner for Cambodia in the Arab world, accounting for 70% of its trade with the region in 2022. (Zawya)
- **UAE jobs: 95% employees are looking for new opportunities -** A whopping 95% of UAE-based employees are currently open to new opportunities in the jobs market, a global survey has found. Conducted globally by recruiter PageGroup, the parent company of Michael Page, the Talent Trends survey found that close to 70% UAE-based respondents are active jobseekers. These are either currently looking for a new role or planning to do so in the next six months. A further 27% are on the fence about looking elsewhere, but are waiting until the economy improves, or for the right opportunity. The global survey covered 70,000 working adults around the world, including 625 respondents in the UAE. (Zawya)
- **UAE and Peru sign air services agreement -** The UAE and the Republic of Peru signed an air services agreement, with Mohammed Abdullah Al Shamsi, UAE Ambassador to the Republic of Peru, signing on behalf of the UAE and Gervasi Díaz, Minister of Foreign Affairs, representing Peru. This agreement will open new horizons for cooperation between the two countries and promote intra-trade. Al Shamsi pointed out that non-oil bilateral trade with Peru for 2022 amounted to $800mn, and UAE investments in Peru over the last five years exceeded $700mn, while intra-trade reached $4.4bn in the same period. He added, "The Memorandum of Understanding for political consultations in 2009 and the visa waiver agreement between the two countries in 2019 have already been signed, and today we are signing the air services agreement. In the near future, we hope to sign an agreement to protect and promote investment and avoid double taxation, in addition to other agreements that are expected to be in the interest of our two peoples and in line with our common aspirations for further development and prosperity." Al Shamsi stressed that this agreement will contribute to the growth of trade exchange in a manner that supports the development agenda of the two countries, promotes the sustainability of their economies, and bolsters bilateral aviation ties. He added, "This comes as part of efforts to reinforce bilateral relations with the Republic of Peru and will also benefit our national airlines and several other sectors in the country, directly affecting the growth of air traffic between the airports of the UAE and Peru, which will help strengthen trade, economic, and tourism relations between the two countries." For her part, Díaz said that the UAE is an important partner, as it is the largest Arab country investing in Peru, stressing that the UAE is the first nation in the Middle East to sign an agreement on air services with the South American country. She stressed that the signing of the air services agreement with the UAE will enable Peru to act as a communication center for the networks of airlines in Latin America, highlighting that the signing of the agreement is a significant achievement and a milestone in the strong relations between Peru and the UAE. Díaz stated that the signing of the agreement will allow the establishment of new air routes that will promote travel for tourism and business purposes between Peru and Arab countries, as well as Asian and Pacific countries. (Zawya)
- **Dubai ranks third in world's top cities, beating New York, London and Paris -** Dubai has secured third place among Top 10 prominent global cities – besting New York, London, Tokyo, Sydney, Johannesburg, Paris and San Francisco – based on the recent rankings by UK-based The Economist. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, tweeted about this achievement on Friday, saying: "Dubai secured the third position among 10 prominent global cities, reflecting its performance over the last three years." "This great achievement can be attributed to the visionary leadership of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, and the ambitious targets set by the Dubai Economic Agenda (D33), which has supported Dubai in its goal to become one of the world's leading urban economies," Sheikh Hamdan added. Launched by Sheikh Mohammed in January this year, the key goal of D33 is to double the size of Dubai's economy over the next decade and to consolidate its position among the top three global cities. The Dubai Crown Prince also "thanked all government and semi-government entities, as well as private sector partners, who have united as one team to raise Dubai's global standing across various sectors." (Zawya)
- **UAE national banks provided $200.32bn in cumulative trade, industry credit until March -** Credit financing provided by the UAE national banks to the trade and industry sectors grew 6.1% YoY, or AED42.5bn in the first three months of 2023, according to recent data issued by the Central Bank of the UAE (CBUAE). The statistics showed that the cumulative balance of credit provided by national banks to the two sectors amounted to AED735.2bn at the end of March compared to some AED692.7bn in the corresponding period last year. According to the apex bank's data, the cumulative balance of credit provided by national banks to the two sectors increased on a monthly basis by 0.1%, or AED500mn, from AED734.7bn in February. Financing provided by Emirati banks accounted for 90.1% of the total credit granted to the two sectors, which stood at AED815.9bn by the end of March, with foreign banks based in the country accounting for 9.9% or AED80.7bn. The credit financing for the two sectors in Abu Dhabi reached AED673.6bn, or 82.6% by end of January, with the Sharia-compliant banks comprising 17.4% thereof, or some AEd142.3bn. The same amounted to AED384.7bn in Dubai and AED100.6 in other emirates. (Zawya)
- **Dubai: Sheikh Hamdan announces new AI center to accelerate govt services -** To accelerate efforts and create exceptional government services, Dubai has launched the 'Dubai Centre for Artificial Intelligence', Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, tweeted on Thursday. Sheikh Hamdan said: "I have directed the formation of task forces at all Dubai government entities to develop AI (artificial intelligence)-driven applications that will enable us to develop innovative government projects and expedite our digital transformation. "Dubai aims to be a world leader harnessing the power of AI and other advanced technologies to provide public sector services," he underlined. The new AI center is in line with the UAE Strategy for Artificial Intelligence, targeting vital sectors in the country, including the transport sector aimed at reducing accidents and operational costs; the health sector with focus on lowering percentage of chronic and serious diseases; the space sector; and the renewable energy sector with focus on facility management and smart consumption, as well as conducting accurate analysis of new and renewable energy resources. (Zawya)
- **Dubai's non-oil business activity remains robust despite softer PMI -** Dubai's non-oil private sector saw robust but softer growth in May compared with the previous month, boosting business optimism to a three-year high, a survey showed on Friday. The seasonally adjusted S&P Global UAE Purchasing Managers' Index (PMI) dipped from the eight-month high of 56.4 in April, to 55.3 in May. Weighing on the index was a softer rise in new business inflows and a greater shortening of delivery times, the report said. The survey covers the Dubai non-oil private sector economy, with additional sector data published for travel & tourism, wholesale & retail and construction. "The headline index dropped to a three-month low of 55.3, but this was partly due to a relaxation of supply-side pressures, as improving global conditions helped average lead times to fall at the quickest pace since mid-2019," said David Owen, Senior Economist at S&P Global Market Intelligence. Businesses saw activity levels expand in May as the rate of growth accelerated for the fifth

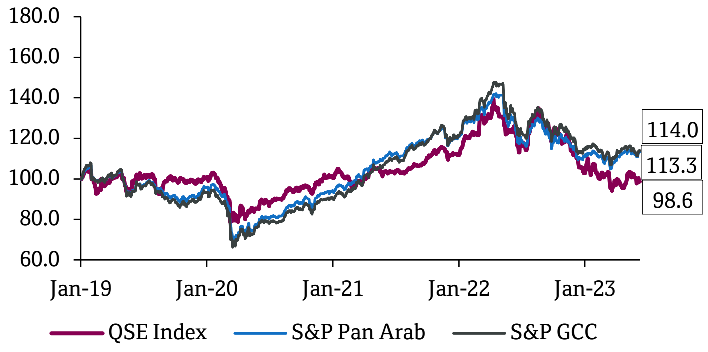
consecutive month and was the strongest since August 2022. Alongside, supply chain conditions across the sector improved in May allowing vendors to increase their capacity and meet delivery requirements. The firms were confident that growth will be sustained over the forthcoming year. "Perhaps a symbol of the region moving clear of the pandemic era, the degree of business confidence was the strongest recorded since March 2020, immediately before the first global lockdown," said Owen. Employment numbers rose for the 13th consecutive month, on the back of robust growth and the optimistic outlook. The pace of job creation was the fastest recorded since the beginning of 2018. (Zawya)

- **UAE Fund Transfer System processed transactions worth $1.05tn in Q1 2023 -** The gross value of interbank fund transfers through UAE Fund Transfer System (UAEFTS) rose to more than AED 3.89tn in the first quarter of 2023, a YoY increase of 35.2% over the corresponding period in 2022, according to statistics released by the Central Bank of the United Arab Emirates (CBUAE). Statistics showed that bank transfers and customer transfers conducted in the period under review stood at AED 2.47tn and AED 1.21tn respectively. Statistics also noted that March was the busiest month with dirham-denominated transfers standing at AED1.46tn. The system, which has been operational since 2001, facilitates fund transfers between banks and other financial institutions in the UAE via their accounts held with the Central Bank. The system's efficiency and governance are ensured by compliance with domestic and international standards, as well as the regulations detailed by CBUAE in the system's Rules document. (Zawya)
- **CBUAE: Cheques cleared in first four months valued at $83.48bn -** In the first quarter of 2023, the Image Cheques Clearing System (ICCS) processed a volume of 5.56mn cheques AED 306.4bn, according to statistics released by the Central Bank of the United Arab Emirates (CBUAE). Statistics noted that March was the busiest month with total value of cleared cheques standing at AED111.7bn. Cash deposits at the Central Bank of the UAE reached AED 39.392bn, including AED 39.39bn in notes, against cash withdrawals from the Central Bank of the UAE of AED 46.325bn, including AED 46.3bn in notes. ICCS was introduced by UAE Central Bank to improve clearing cycles of cheques and streamline the local clearing. In order to participate in the UAE ICCS banks should have a safe, secure, efficient and robust payment application. (Zawya)
- **Dubai Chamber attracts five mncs and 20 SMEs in Q1 2023 -** Dubai International Chamber, one of the three chambers operating under Dubai Chambers, has attracted five Multinational Corporations (MNCs) and 20 Small and Medium-sized Enterprises (SMEs) during Q1 2023 alone. This exceeds the total numbers attracted throughout the whole of 2022. In addition, the chamber also supported the expansion of seven local and national companies into foreign markets by helping them increase their exports or establish a presence abroad. The Chamber also opened a new representative office in Hong Kong, bringing the total number of its international offices to 16 by the end of Q1 2023 with a presence in Africa, Latin America, Eurasia, India, China, and the Middle East. The opening of these offices comes as part of the Dubai Global initiative, which was launched by Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai and is led by Dubai International Chamber. The initiative aims to establish a powerful network of 50 commercial representative offices for Dubai across five continents by 2030. (Zawya)
- **Emiratization in UAE: New platform changes to help firms meet target -** The UAE Central Bank asked banks in the country to boost the size of their Emirati workforce. New enhancements have been made to the Nafis platform, enabling companies to post professional opportunities and reach qualified Emirati talent more easily, the Emirati Talent Competitiveness Council announced. Companies with 50 employees or more must achieve an increase of 1% of Emirati employees every six months and reach a growth of 2% by the end of the year. The move will help private sector companies achieve their target before the end of this month and avoid fines for non-compliance. The new platform has a more user-friendly look and an improved user experience. Jobseekers are now able to add more details to their educational qualifications, skills and professional experience, enabling them to find suitable jobs based on their profiles. Jobseekers will also be able to gain a quick insight into their entitlements, including the benefits they are eligible for, as well as job applications and their status. "The Ministry of Human Resources and Emiratization is committed to enhancing Emiratization efforts in the private sector, in line with the directives of our wise leadership. The ministry is working closely and consistently with its partners to ensure the implementation of Emiratization plans," said Aisha Belharfia, Acting Undersecretary for Emiratization Affairs and Assistant Undersecretary for Labor Affairs at MoHRE. "The ultimate goal is to increase the presence of UAE nationals within various sectors of the private sector, and their contribution to advancing the UAE economy in all its sectors," she noted. The partners section of Nafis' dashboard now provides an overview of their relevant entitlements including benefits and posted professional opportunities, allowing easier access to suitable Emirati candidates for their job vacancies. Partners will also have more flexibility to contact candidates and the option to conduct the entire recruitment process through the platform, from candidate selection to the agreement on the final offer while documenting every step of the process. The platform can match job seekers with relevant job opportunities according to their skills, experience and location, and directly nominate them to the posted vacancies. Ghannam Al Mazrouei, Secretary-General of the Emirati Talent Competitiveness Council, said: "The platform has been enhanced to offer a more seamless and convenient navigating experience to Emiratis and private sector companies, which will enable companies to reach a pool of qualified Emirati talent more easily, while also boosting the professional opportunities offered to job seekers and ensuring they find opportunities that meet their aspirations, and on the other hand, it will help companies reach their Emiratization targets for skilled jobs." The updated version of the Nafis platform will require users to update their profiles and personal information to ensure an effective utilization of the platform. "The Nafis platform is at the forefront of all communication between all the program's partners, including UAE nationals and private sector companies. We attach great importance to ensuring the continuous development of the platform, easing hiring processes through it and enhancing UAE nationals' participation in the private sector," he added. (Zawya)
- **Kuwait Chamber praises economic cooperation with Germany -** Kuwait Chamber of Commerce and Industry (KCCI), praised Wednesday, the Kuwaiti-German economic cooperation in addition to areas of economic cooperation between Germany and the Arab countries. This came during the 26th session of the Arab-German Economic Forum, organized by the German-Arab Chamber of Commerce and Industry in Berlin, with the participation of more than 300 decision makers, businessmen and representatives of Arab and German institutions and companies. In a statement to KUNA, Chamber Board Memebr Ahmed Al-Qudheibi said that the forum constitutes a pioneering platform in terms of developing trade relations between Germany, Kuwait and other Arab countries, through forum's discussion of economic cooperation areas between Germany and Arab countries. Kuwait's delegation participated in workshops aimed at achieving economic growth between the two sides and shedding light on ways to develop economic relations between the Arab and German sides in the field of industrialization, planning and establishing smart cities, investing in capital, logistics, transportation, infrastructure and the importance of vocational training. Al-Qudaibi said. For his part, the President of the German Chamber of Commerce and Industry, Peter Ramsauer, praised in his speech the transformations and changes the Arab world is witnessing that have caused prosperity of many Arab countries. The energy fields come at the top of the agenda of the Arab-German meetings, Ramsauer said, stressing "European energy supplies depend more than ever on the Arab countries." For his part, Kuwait Ambassador to Germany Najeeb Al-Badr praised the Kuwaiti-German economic relations, stressing the existence of a successful economic partnership between the two countries, adding, during the forum, a number of issues related to ways to promote trade and industrial development and to improve and increase cooperation and trade exchange between Arab countries and Germany were discussed. (Zawya)
- **Kuwait-Vietnam trade touches $5.5bn -** The Vietnamese ambassador to Kuwait, HE Ngo Tuan Thang, said Kuwaiti government investments in Vietnam is about 3bn dollars and the investments of the Kuwaiti private sector is about 200mn. Speaking on the sidelines of a luncheon he

organized in downtown Kuwait City for the local media representatives to taste the Vietnamese food, ambassador Thang disclosed the total volume of trade exchange between the two countries is around $5.5bn, and that Vietnam imports $5bn worth of Kuwaiti oil, and Vietnam exports to Kuwait products worth about $500mn. He called, the Vietnamese-Kuwaiti relations excellent and historical, and the diplomatic relations between the two friendly countries which began in 1976 are characterized by strength and durability and continue to develop in various fields of cooperation. He added, the high-level mutual visits between both countries have contributed significantly to supporting and strengthening bilateral relations between the two countries, recalling the visit of the Vietnamese president to Kuwait. In 1995, the prime ministers of the two countries also exchanged visits in 2007 and 2009, and finally in 2016 the Kuwaiti prime minister visited Vietnam. He added, during the visit many agreements and memorandums of understanding were signed, pointing out that the next round of political dialogue between the two countries will be held in Kuwait before the end of this year. He stressed Kuwait enjoys distinguished, balanced and wise diplomacy, and it is one of the most important factors of stability in the region, while at the same time appreciating the pioneering humanitarian role that Kuwait plays in alleviating the pain of victims of man-made and natural calamities around the world. He pointing out that the Kuwait Fund for Arab Development funded 18 projects in his country since 1979. The Vietnamese envoy also revealed the embassy is in the process of organizing the Vietnamese lychee promotion event at the Avenues Mall next week and said lychee fruit has many health benefits. (Zawya)

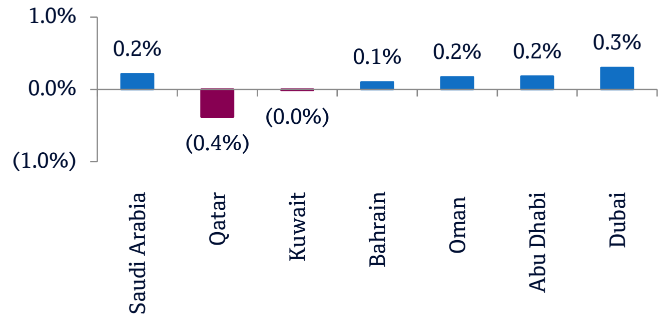
- **Oman, Russia sign pact to avoid double taxation -** Oman and the Russian Federation inked an agreement on Thursday on the avoidance of double taxation and the prevention of tax evasion for income taxes. The agreement was inked by Saud Nasser al Shukaili, Chairman of Oman Tax Authority on behalf of the Oman government and Alexei Sazanov, Deputy Minister of Finance on behalf of the Russian government. The agreement aims to legally protect investors from imposing double taxes and regulate the imposition of tax between the two countries, which will contribute to enhancing investments and trade exchange between them. Meanwhile, Oman has signed more than 38 taxation agreements with friendly countries to expand the scope of investments and trade exchange. (Zawya)
- **Oman: State's public revenues grow 4% by April 2023 -** The State's public revenue at the end of April 2023 registered RO 4,392mn, up by 4% compared to RO 4,217mn over the same period in 2022. This is mainly due to an increase in net oil revenue and current revenue, representing 53% and 27%, respectively, of total public revenue, according to the Fiscal Performance Bulletin issued by the Ministry of Finance. Net oil revenue at the end of April 2023 amounted to RO 2,308mn, up by 12% when compared to RO 2,059mn registered over the same period in 2022. This is driven by an increase in average oil price of $84 per barrel and an increase in average oil production to 1,064,000 barrels per day. Moreover, net gas revenue at the end of April 2023 amounted to RO 908mn, down by 15% when compared to RO 1,071mn registered over the same period in 2022. This is due to the deduction of gas purchase and transport expenses from total revenue collected from the Integrated Gas Company. By the end of April 2023, current revenue registered RO 1,172mn, up by 8% when compared to an amount of RO 1,081mn collected over the same period in 2022. As far as public spending is concerned, it amounted to RO 3,872mn by the end of April 2023, up by RO 123mn, i.e. 3% compared to actual spending over the same period in 2022. This is due to an increase in current expenditure of civil ministries. Current expenditure at the end of April 2023 amounted to RO 2,674mn, down by RO 269mn, i.e. 9% when compared to an amount of RO 2,943mn registered over the same period in 2022. Further, by the end of April 2023, development expenditure of civil ministries reached RO 183mn, representing 20% of total development spending, i.e. RO 900mn, allocated for 2023. Contributions and other expenses by the end of April 2023, amounted to RO 365mn, down by 10% when compared to an amount of RO 405mn registered over the same period in 2022. Oil product subsidy amounted to RO 111mn. Additionally, an amount of RO 133mn was transferred to the future debt obligations budget-item. The State's General Budget registered a surplus of RO 520mn by the end of April 2023 compared to a surplus of RO 468mn achieved over the same period in 2022. The Ministry of Finance affirmed that the government will continue utilizing the surplus for liability management exercise and reducing public debt, enhancing social spending and stimulating economic recovery. (Zawya)
- **Oman budget surplus at $1.35bn at end April -** The Gulf state of Oman recorded a budget surplus of OMR 520mn rials ($1.35bn) year to date at the end of April, according to finance ministry data. The fiscal surplus in the same period in 2022 was 468mn rials, the monthly financial bulletin showed. Net oil revenue at the end of April stood at 2.3bn rials, up 12% from the prior year period, and driven by an increase in average oil prices to $84 a barrel, and an increase in average oil production, the bulletin said. Total revenue at the end of April amounted to 4.4bn rials, up 4% from the same period in 2022. Spending stood at 3.9bn rials, an increase of 3% over the 2022 period figure. Oman is among the weaker economies of the Gulf oil and gas exporters but higher oil prices in the last year have supported public finances and helped to reduce government debt. Oil production cuts and lower prices will affect growth among Gulf exporters in 2023 however with most forecasts pointing to a significant slowdown this year. (Zawya)
- **Bahrain sees budget deficit narrowing in 2024 -** Bahrain's ministry of finance expects its overall budget deficit in 2024 to narrow to 161.4mn Bahraini dinars ($428.16mn) in its latest budget statement, from a deficit of 520mn dinars in 2023. While total spending is expected to remain at around 3.6bn dinars in 2023 and 2024, total revenues are forecast to increase to 3.47bn dinars next year from 3.1bn dinars in 2023 as oil and gas revenues go up. The Gulf kingdom has budgeted for oil revenue to increase to 2.15bn dinars in 2024 from an estimated 1.92bn dinars in 2023 in figures published on the finance ministry's website. Bahrain, one of the region's smaller and weaker economies, reported GDP growth of 4.9% in 2022, its highest growth rate since 2013. Like its neighbors, it has embarked on a strategy to diversify its economy away from oil; last year non-oil GDP grew by 6.2%, the highest since 2012. In April, the government said it was introducing a new "golden license" offering benefits to companies bringing large-scale investment projects, part of an economic recovery plan launched in October 2021 to boost growth and job creation. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,961.19	(0.2)	0.7	7.5
Silver/Ounce	24.29	0.2	2.9	1.4
Crude Oil (Brent)/Barrel (FM Future)	74.79	(1.5)	(1.8)	(12.9)
Crude Oil (WTI)/Barrel (FM Future)	70.17	(1.6)	(2.2)	(12.6)
Natural Gas (Henry Hub)/MMBtu	1.85	(11.9)	3.2	(47.4)
LPG Propane (Arab Gulf)/Ton	58.50	(2.7)	0.0	(17.3)
LPG Butane (Arab Gulf)/Ton	38.80	(5.1)	(9.8)	(61.8)
Euro	1.07	(0.3)	0.4	0.4
Yen	139.40	0.3	(0.4)	6.3
GBP	1.26	0.1	1.0	4.0
CHF	1.11	(0.5)	0.6	2.4
AUD	0.67	0.4	2.0	(1.0)
USD Index	103.56	0.2	(0.4)	0.0
RUB	110.69	0.0	0.0	58.9
BRL	0.20	0.9	1.6	8.3

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,885.63	0.1	0.4	10.9
DJ Industrial	33,876.78	0.1	0.3	2.2
S&P 500	4,298.86	0.1	0.4	12.0
NASDAQ 100	13,259.14	0.2	0.1	26.7
STOXX 600	460.01	(0.5)	(0.1)	8.6
DAX	15,949.84	(0.6)	(0.3)	14.9
FTSE 100	7,562.36	(0.3)	0.5	5.5
CAC 40	7,213.14	(0.5)	(0.4)	11.8
Nikkei	32,265.17	1.6	2.7	16.2
MSCI EM	1,002.33	0.8	1.8	4.8
SHANGHAI SE Composite	3,231.41	0.3	(0.6)	1.2
HANG SENG	19,389.95	0.4	2.3	(2.4)
BSE SENSEX	62,625.63	(0.2)	0.1	3.3
Bovespa	117,019.48	2.1	5.8	15.6
RTS	1,032.29	(0.1)	(1.8)	6.4

Source: Bloomberg ($ adjusted returns if any #, Data as of June 09, 2023)*

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