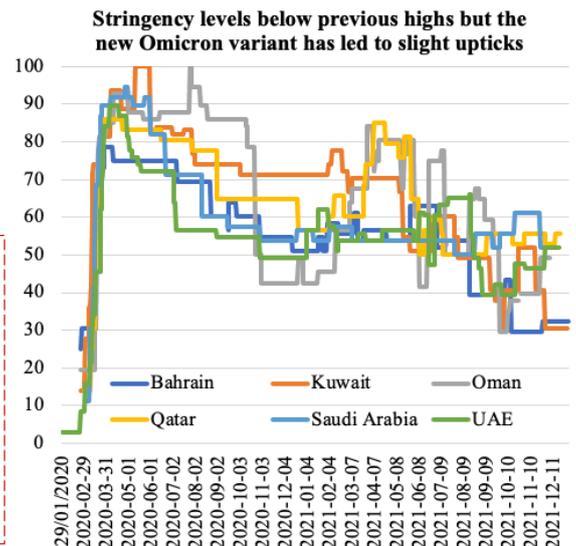
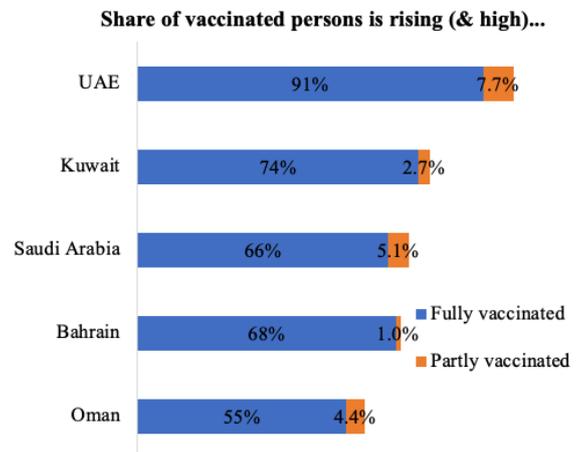
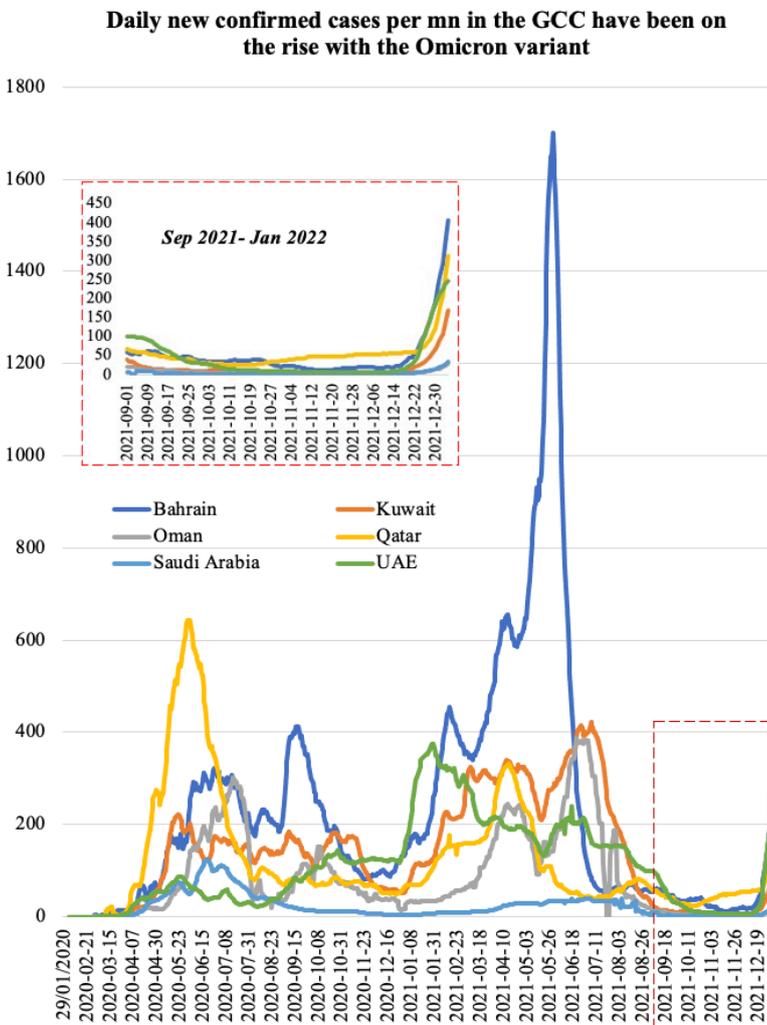


# Weekly Insights 6 Jan 2022: Covid19 cases rise in the GCC, but economic activity is supported by high vaccination rates, oil & consumer spending

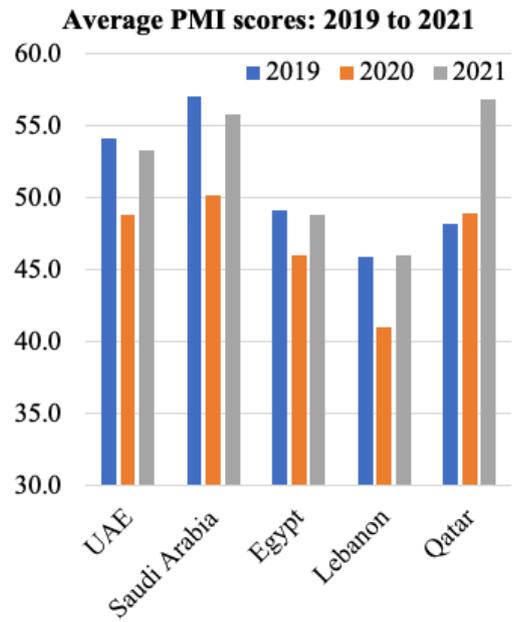
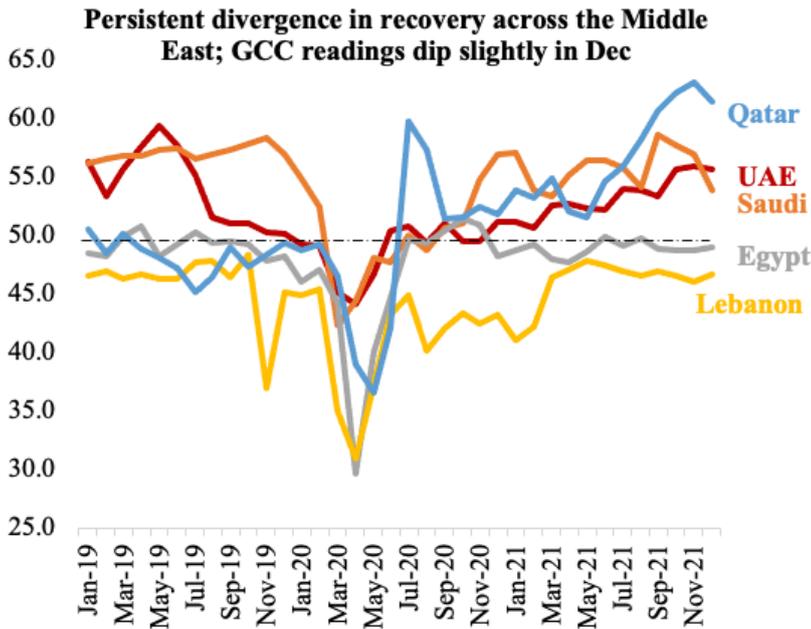
Weekly Insights 6 Jan 2022: Covid19 cases rise in the GCC, but economic activity is supported by high vaccination rates, oil & consumer spending

1. Covid19 cases have been rising in the GCC given the Omicron variant. The vaccination pace is strong & boosters are being rolled out. Stringency has ticked up slightly.



Source: Our World In Data; charts by Nasser Saidi & Associates. Data updated as of 5th Jan 2022

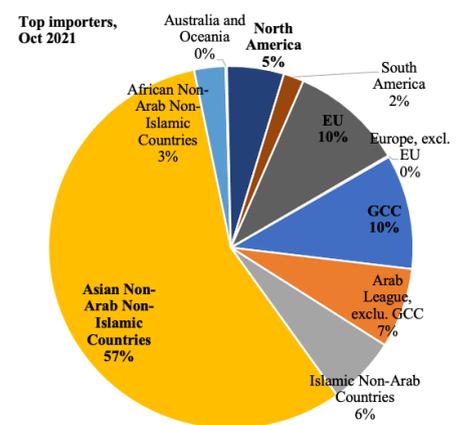
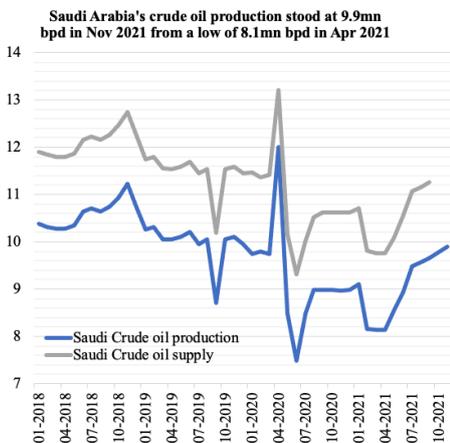
**GCC PMIs remain expansionary in 2021. Divergent wrt other Middle East nations2.**



Source: Refinitiv Datastream. Chart by Nasser Saidi & Associates

, with the latter's **Average PMI in 2021 stayed above 50 in UAE, Saudi and Qatar** •  
 activity much higher than recorded in its 5-year history. Egypt and Lebanon saw the  
 2021 average reading lower than in 2019, but substantially higher compared to 2020  
**resurgence of Covid19 cases in GCC has led to a decline in sentiment in Dec** •  
 with concerns about the spread of the Omicron variant and potential curbs on **2021**  
 travel/ business  
 (firms in Qatar are passing on **inflation is a rising concern** Input prices are rising => •  
**is another** (& offering of discounts)**strong competition** costs to the consumer);  
 (in Saudi & UAE)**concern**

### Oil continues to play a dominant role in Saudi Arabia's economic activity 3.

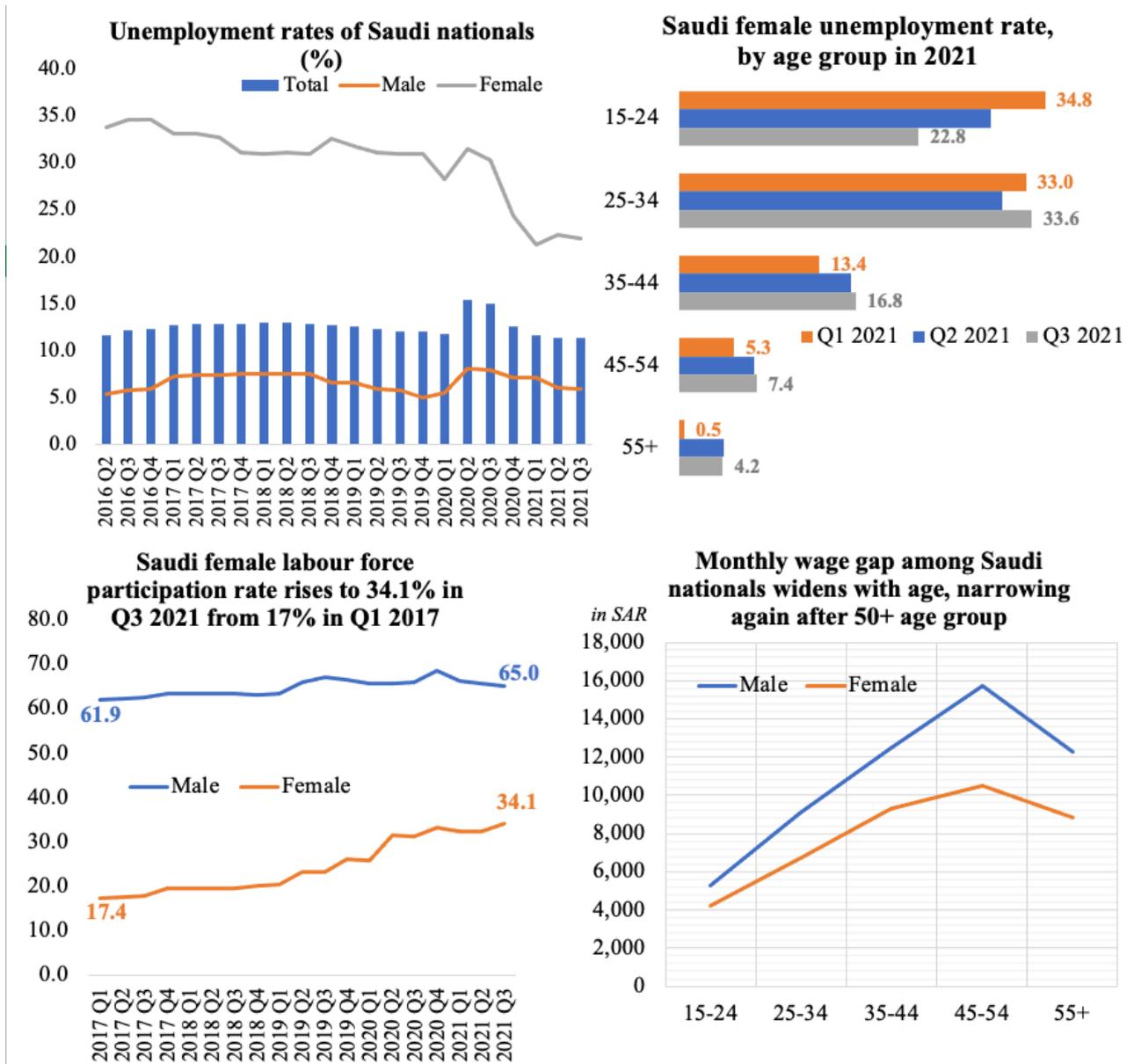


Source: OPEC, Refinitiv Datastream, GaStat, Nasser Saidi & Associates

, in line with **Saudi Arabia's oil production and supply have been gradually rising** •  
 OPEC+ decisions. Production hit the highest since Apr 2021  
 The latest OPEC+ meeting upheld the decision to raise production by 400k bpd in Feb, •  
**will result in a surge in oil GDP growth in the quarter** which

oil exports accounted for 78% of the total Thanks to rising demand and higher prices, , with Asia the key import partner in Oct 2021

**Unemployment rate for Saudi nationals held steady at 11.3% in Q3.**



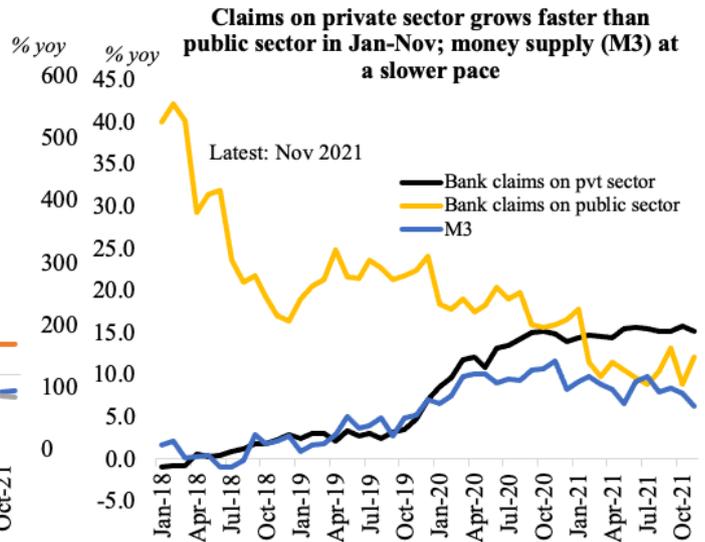
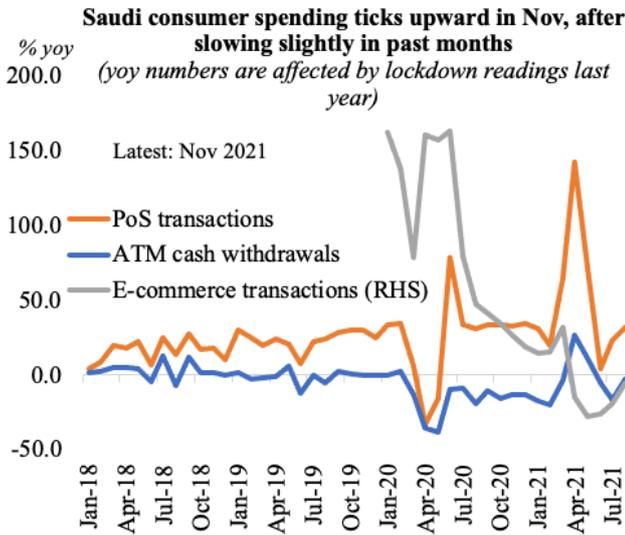
Source: Labour market survey Q3 2021, GaStat. Charts created by Nasser Saidi & Associates

, measures to boost local employment in the private sector Supported by •  
 unemployment rate remains unchanged at 11.3% in Q3 2021  
 (34.1% in Q3 female labour force participation rates are rising As seen previously, •  
 for ages 15-54 wage disparity continues to widen2021);

**Consumer spending in Saudi Arabia is on the rise, in line with economic recovery5.**

, with Point of Sales (20.5% yoyConsumer spending has been rising in Saudi Arabia •  
 (83.5% yoy and 7.7% mom) transactions driving the e-commerce& 2% mom) and  
 increase in Nov. Significant increases in spending has been recorded in sectors like  
 hotels (47.7%) education (33.3%), transportation (39.8%) and restaurants (31%)  
 ticked up (govt + quasi-govt institutions)credit disbursed to the public sector In Nov, •

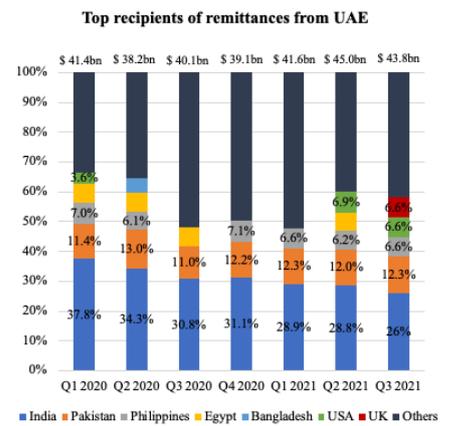
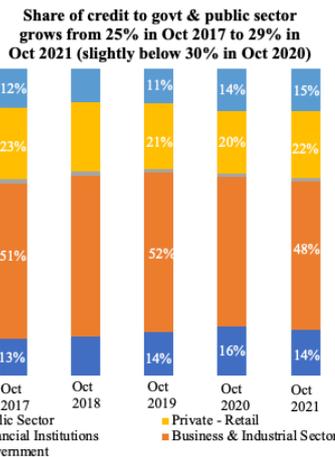
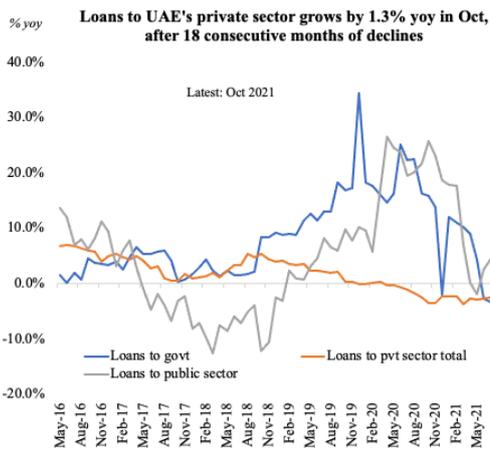
continues to **Mortgage lending** vs private sector's marginal 0.6% rise. **by 4% mom** remain a strong contributor to loan growth.



Source: Saudi Central Bank. Charts created by Nasser Saidi & Associates

## 6. Credit growth in the UAE remains soft; private sector loans turn a corner

- by 1.3% yoy in Oct, turning **Credit disbursed to the UAE's private sector grew** positive after 18 consecutive months of year-on-year declines.
- (i.e. govt & state-owned firms) stayed just **share of credit to the public sector** The under one-third of the total in Oct 2021 while business sector loans was lower than 50% in Q3 2021 to USD 43.8bn. **Outward remittances from the UAE grew by 9.2% yoy**
- India remained the top recipient, but its share is much lower (26% in Q3 vs 37.8% pre pandemic)



Source: UAE Central Bank. Charts by Nasser Saidi & Associates.