

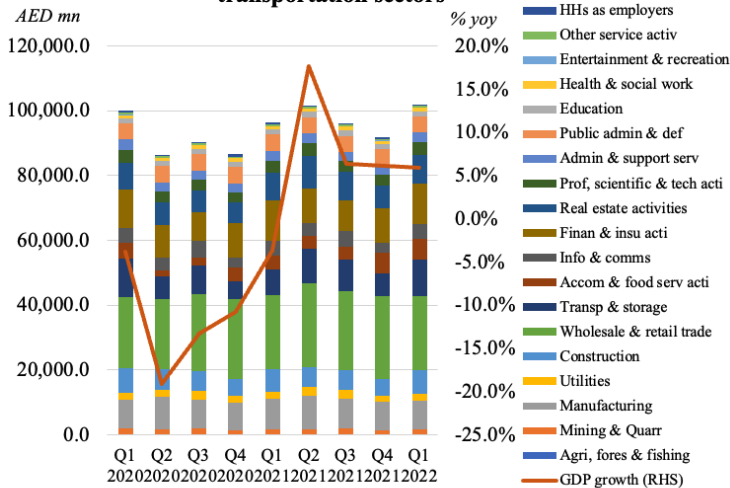
Weekly Insights 1 Jul 2022: GCC non-oil sector & labour market recovery; global emissions rise

Weekly Insights 1 Jul 2022: GCC's non-oil sector & labour market recovery alongside rising inflation; global emissions ticking up while refinery capacity declined in 2021

1. Dubai real GDP grows by 5.9% yoy in Q1 2022; inflation is rising, largely driven by transport and food costs

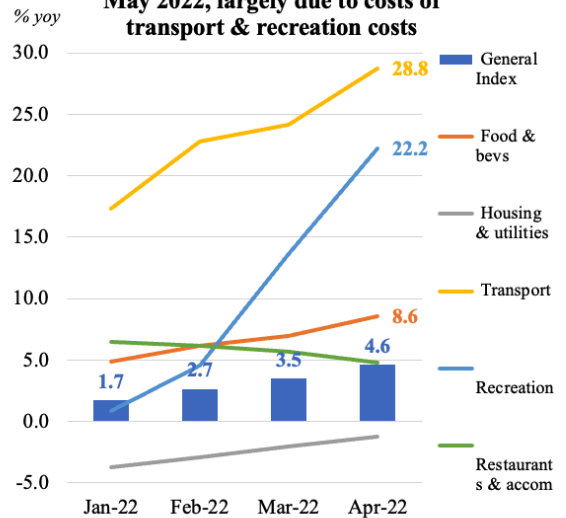
- **Dubai's real GDP growth of 5.9% yoy in Q1 2022** was supported by a **recovery in Covid-affected sectors** (transportation & storage which grew 40.35% and accommodation & food services up 47.07%)
- Jan-Mar 2022 also **benefitted** from Dubai's low restriction levels, (including for travel, quarantines) and high vaccination rates as well as **tourists' visits** (during the Expo). Mobility rates are at pre-pandemic levels
- **Dubai PMI averaged 53.6 in Q1 2022** (vs 50.8 in Q1 2021): though costs were on the rise globally, businesses in the emirate chose to remain more competitive by absorbing most of the cost increases
- **Inflation is ticking up in Dubai** – to 4.7% in May from 1.7% in Jan – despite businesses reluctance in passing on costs; the increase in fuel prices (5 times this year) has been spilling over to other sectors. **Petrol is now 3X more expensive than in Kuwait**

Dubai GDP grew by 5.9% in Q1 2022 (2021: 6.2%) with largest contributions from trade, financial and transportation sectors



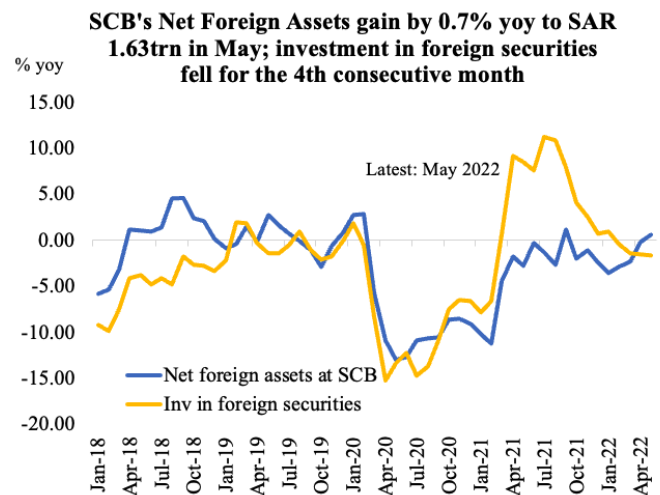
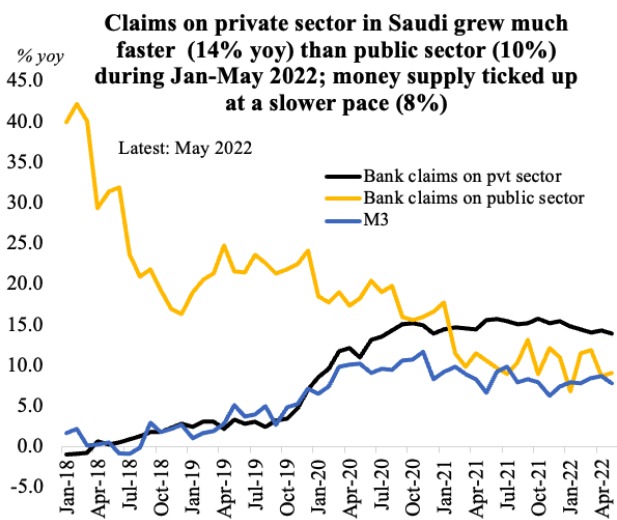
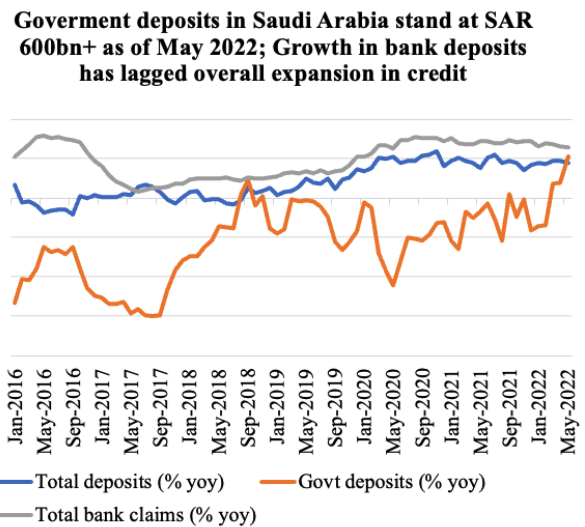
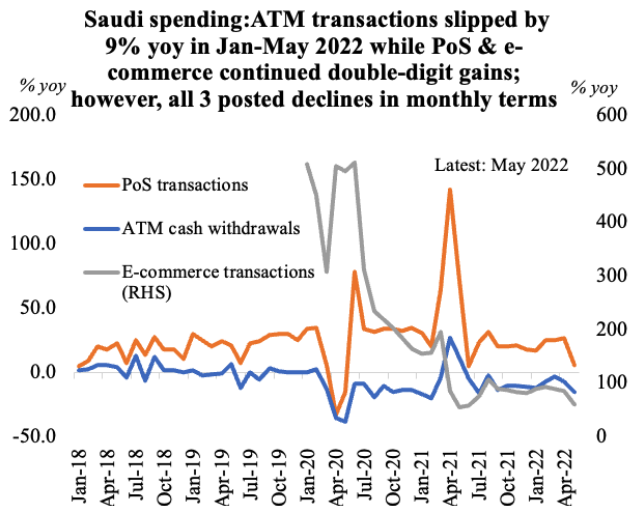
Source: Dubai Statistics Centre. Charts created by Nasser Saidi & Associates

Inflation in Dubai averaged 3.4% in Jan-May 2022, largely due to costs of transport & recreation costs



2. Saudi monthly monetary data (in % yoy terms) shows:

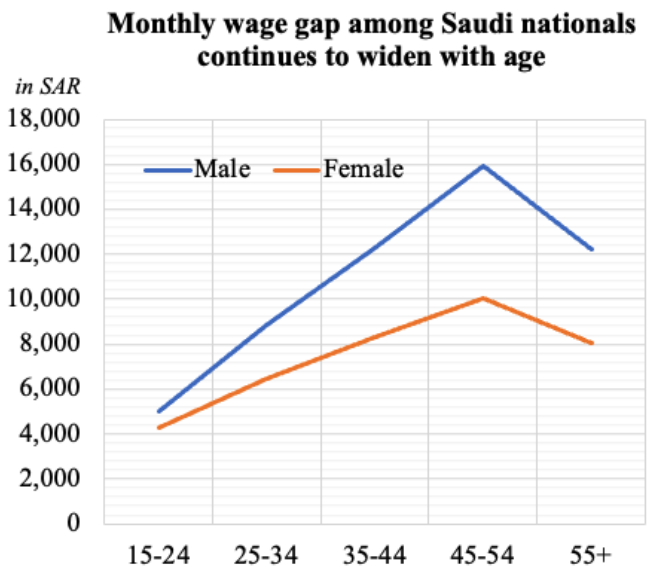
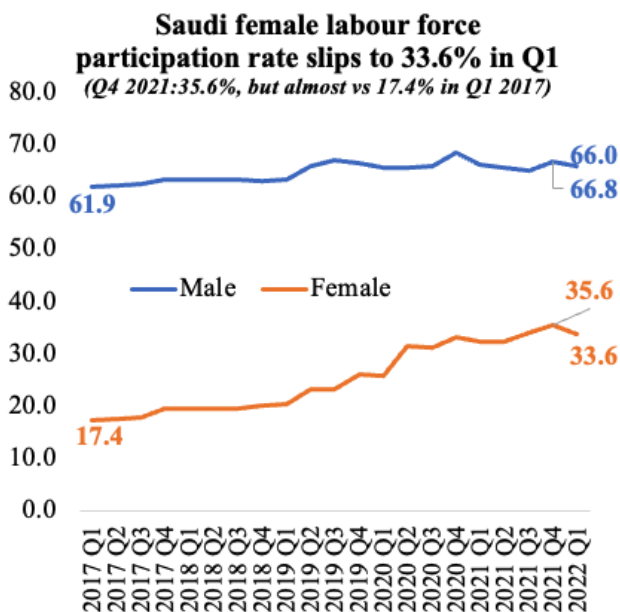
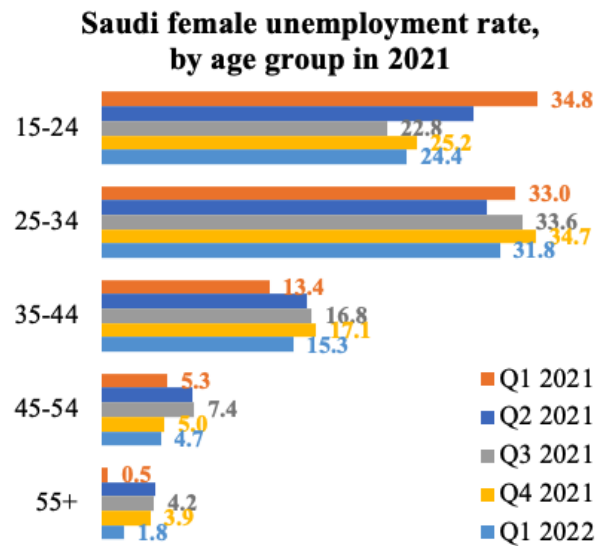
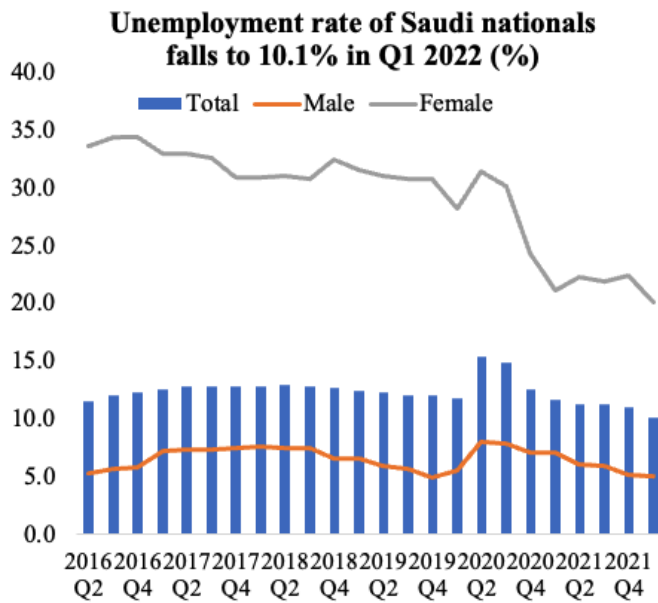
- **A slight ease in overall spending;** likely to rise again in Jun-Jul (summer holidays, Eid)
- **Government deposits have not kept pace with higher oil prices;** overall growth in bank claims (thanks to mortgage lending) has outpaced that of overall deposits
- **Net foreign assets gained in yoy terms;** while **investment in foreign securities fell for the 4th straight month**



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

3. Saudi Arabia's labour market recovering from pandemic woes: unemployment rate is the lowest since Q2 2016

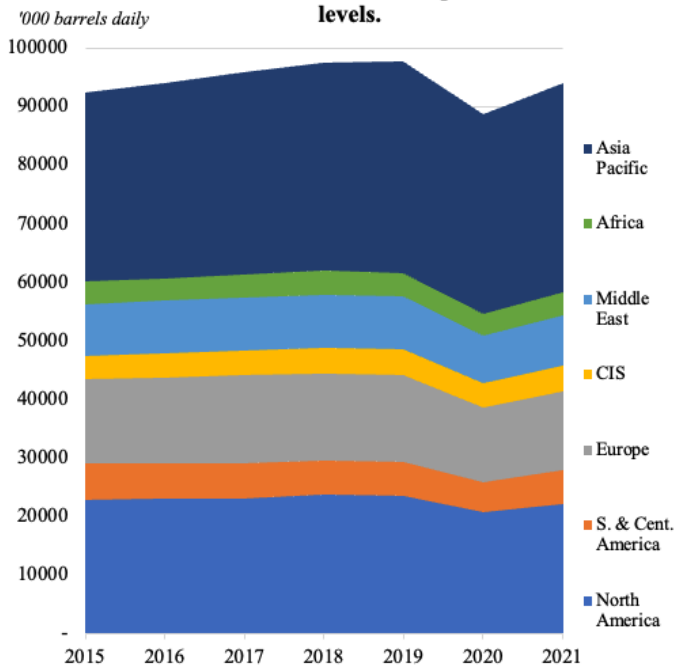
- Unemployment rate for Saudi citizens has come down to **10.1% in Q1 2022**; this compares to a peak of over 15% during the pandemic
- **Gap between male and female unemployment rates persist**: 5.1% for male Saudis and 20.2 for female citizens
- **Saudi female unemployment rate declined** across all groups in Q1 2022, but most sharply in the 55+ age bracket
- **Labour force participation slipped in Q1 2022**: 33.6% for Saudi women & 66% for men
- Last week, it was disclosed that **Saudi citizens employed by the private sector crossed 2mn for the first time**



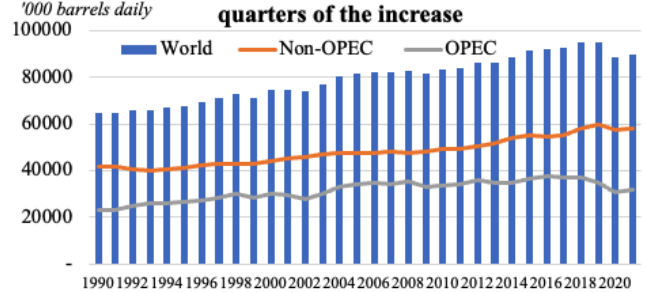
Source: Labour market survey Q1 2022, GaStat. Charts created by Nasser Saidi & Associates

4. Global oil demand is bouncing back, but consumption remains much below pre-pandemic levels; OPEC+ is supporting production; refinery capacity in OECD fell to the lowest level since 1998

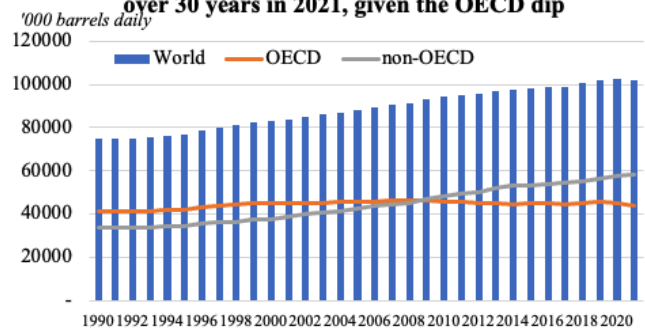
World's oil consumption increased by 5.3mn bpd in 2021 but remained 3.7 million bpd below 2019 levels.



Global oil production increased by 1.4mn bpd in 2021; OPEC+ accounted for more than three-quarters of the increase



Oil refinery capacity declined for the first time in over 30 years in 2021, given the OECD dip

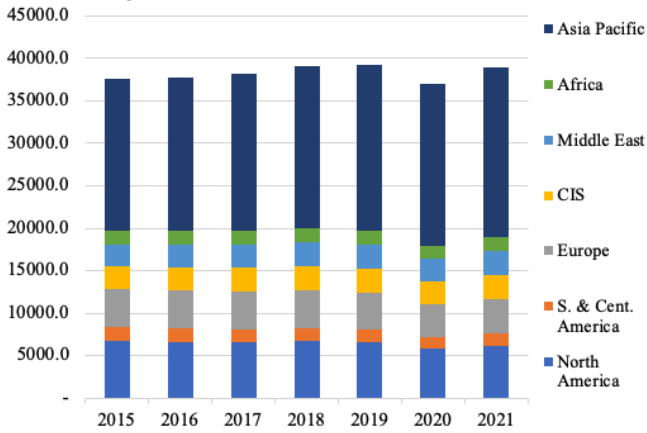


Source: BP Statistical Review of World Energy 2022. Charts by Nasser Saidi & Associates

5. CO2 emissions are close to 2019 levels; but growth in renewable energy is rising – it was higher than that of any other fuel in 2021

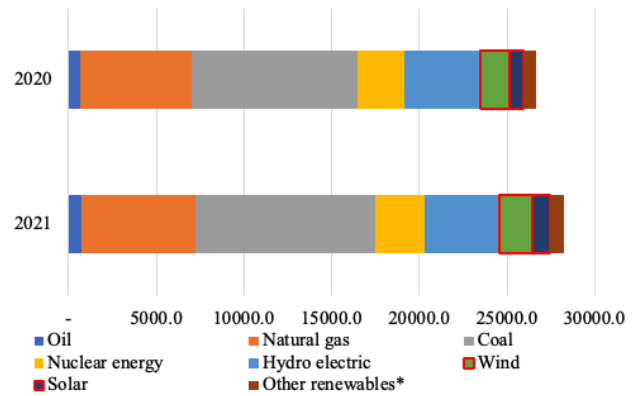
Carbon dioxide emissions ticked up by 5.9% yoy in 2021, after a 5.6% drop in 2020

in million tonnes of carbon dioxide equivalent



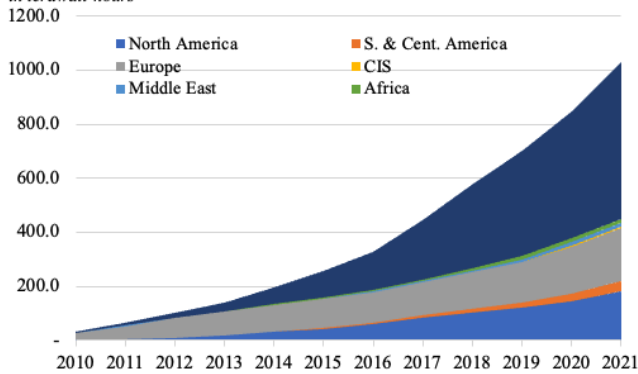
Wind & solar accounted for a 10.2% share of power generation in 2021, first time providing more than 10% of global power & surpassing the contribution of nuclear energy

in terawatt-hours



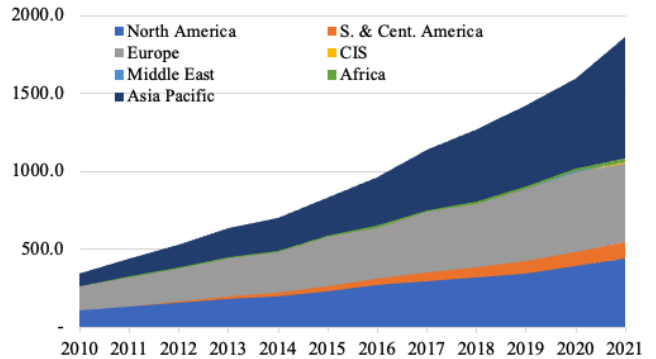
Solar capacity continues to improve, driven by Asia Pacific (56.3% of total)

in terawatt-hours



Wind generation improves, with Asia Pacific & Europe together accounting for more than 2/3-rds of the total in 2021

in terawatt-hours



Source: BP Statistical Review of World Energy 2022. Charts by Nasser Saidi & Associates

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