

Bloomberg's Horizons Middle East & Africa Interview, 17 Jul 2024

Aathira Prasad joined Joumanna Bercetche on 22nd July, 2024 as part of the Horizons Middle East & Africa show. The discussion focused on the IMF's lower Saudi growth forecast for 2024.

The IMF revised downward Saudi growth to 1.7% this year (down by 0.9 percentage point) in its latest WEO update. Key messages from the interview:

- IMF's cut to Saudi growth forecast this year was expected, stemming from lower oil production
- But, remember that non-oil sector activity has been robust so far and will be a driving force as the many mega and giga projects are under development. Saudi PMI underscores the non-oil sector's strong performance.
- There have been government spending cuts. But these need to be viewed as a positive: expenditure rationalisation & prioritising more strategic projects in the backdrop of lower oil revenues. Underlying strategies are job creation, increase private sector participation & eventually greater economic diversification.
- True that funding needs are high, but the Kingdom has been tapping alternative funding sources including the debt markets. Not just the government, but also state-owned entities.

Watch the interview (from 15:00 to 20:00):
<https://www.bloomberg.com/news/videos/2024-07-17/horizons-middle-east-africa-07-17-2024>