

Bloomberg Daybreak Middle East Interview, 9 Sep 2022

Aathira Prasad joined Manus Cranny on 9th of September, 2022 as part of the Bloomberg Daybreak: Middle East edition, speaking about the latest inflation readings in both Egypt and Turkey.

Watch the interview below, which can also be accessed from the original link:
<https://www.bloomberg.com/news/videos/2022-09-09/prasad-we-expect-inflation-numbers-to-rise-video>

Bloomberg Daybreak Middle East Interview, 22 Jul 2022

Aathira Prasad joined Yousef Gamal El-Din on 22nd of July, 2022 as part of the Bloomberg Daybreak: Middle East edition, speaking about the latest Dubai inflation numbers, expectations for oil price movements as well the latest developments in Turkey (& impact on the lira).

Watch the interview from 32:40 to 41:00 in the video below, which can also be accessed from the original link:
<https://www.bloomberg.com/news/videos/2022-07-22/-bloomberg-daybreak-middle-east-full-show-07-22-2022>

Interview with Al Arabiya (Arabic) on US inflation, Fed moves & impact on emerging markets, 14 Jul 2022

In this interview with Al Arabiya aired on 14th July 2022, Dr. Nasser Saidi discusses the jump in US inflation to a new 40-year high of 9.1%. Interest rates will remain high until next year or 2024, so that the Fed can control inflation, while unemployment will rise. Emerging markets will see spillover effects from high interest rates and the rise of the dollar, which increases the price of imported goods, and will also face problems due to the rise in food prices.

Watch the interview [here](#).

ناصر السعيد للعربية: من الصعب على الفيدرالي إعادة التضخم إلى 2% خلال أشهر

أكد أن الأسواق الناشئة ستعاني من ارتفاع أسعار الفوائد

قال رئيس شركة ناصر السعيد وشركاه، الدكتور ناصر السعيد، إن نسب التضخم المرتفعة في الولايات المتحدة، والتي أعلن عنها أمس الأربعاء، ستدفع الفيدرالي الأميركي إلى رفع أسعار الفائدة بسرعة، متوقعا زيادتها بمقدار 100 نقطة أساس في آخر هذا الشهر، كما توقع

رفعها بين 75 و100 نقطة أو أكثر حتى آخر العام الحالي.

وأضاف السعيد في مقابلة مع "العربية"، أن الفيدرالي يستطيع التحكم في العوامل داخل أميركا، لكن لا يمكنه التأثير بعوامل خارجية عالمية، مثل أسعار النفط، وبالتالي فإن من الصعب على الفيدرالي الأميركي الوصول إلى هدفه بخفض التضخم إلى 2% خلال فترة 3 إلى 6 أشهر.

وأوضح أن ذلك يعني بقاء الفوائد مرتفعة حتى العام المقبل أو العام 2024، ليستطيع الفيدرالي السيطرة على التضخم، مشيرا إلى أن البطالة سترتفع، الأمر الذي على الفيدرالي تقبله خلال الفترة المقبلة.

وتوقع السعيد ارتفاع نسب البطالة في أميركا إلى ما بين 4% و 4.5%، معتبرا أن هذا الأمر طبيعي، لكنه قال إنه من غير المقبول استمرار ارتفاع التضخم الأساسي، الذي سيؤثر سياسيا أيضا.

كما توقع حدوث ركود اقتصادي في أوروبا أولا، خلال الفصل الثالث أو الرابع من 2022، وثانيا في أميركا مع بداية العام المقبل أو قبل ذلك، لافتا إلى أن الأسواق العالمية أخذت ذلك بالحسبان.

وقال السعيد إن الأسواق الناشئة ستعاني من ارتفاع أسعار الفوائد وصعود الدولار الذي يزيد سعر السلع المستوردة، كما ستواجه مشاكل جراء ارتفاع أسعار السلع الغذائية.

Bloomberg Daybreak Middle East Interview, 30 Jun 2022

Aathira Prasad joined Yousef Gamal El-Din and Manus Cranny on 30th of June, 2022 as part of the Bloomberg Daybreak: Middle East edition, discussing the signs of inflation in the GCC region.

Watch the interview below, which can also be accessed from the

original

link:

<https://www.bloomberg.com/news/videos/2022-06-30/prasad-signs-of-inflation-easing-video>

Bloomberg Daybreak Middle East Interview, 3 Jun 2022

Aathira Prasad joined Yousef Gamal El-Din and Manus Cranny on 3rd of June, 2022 as part of the Bloomberg Daybreak: Middle East edition, discussing the OPEC+ decision to increase oil production, views on Turkey (growth, surging inflation & lira's vulnerability) as well as touching upon the surge in inflation & prospects for food importers

Watch the interview below, which can also be accessed from the original

link:

<https://www.bloomberg.com/news/videos/2022-06-03/prasad-inflation-causing-spillover-effects-video>

Bloomberg Daybreak Middle East Interview, 21 Apr 2022

Aathira Prasad joined Yousef Gamal El-Din and Manus Cranny on 21st of April, 2022 as part of the Bloomberg Daybreak: Middle East edition, discussing the growing risks of prolonged rise in food prices globally and its impact on the MENA region as

well as the UAE's plans to issue local currency bonds.

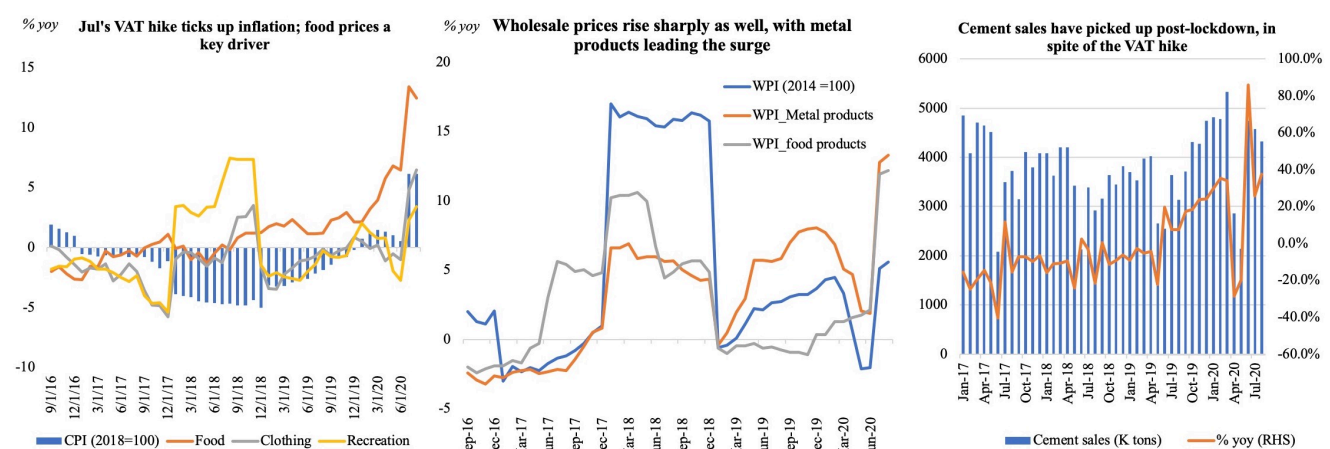
Watch the interview below, which can also be accessed from the original link:

<https://www.bloomberg.com/news/videos/2022-04-21/prasad-food-prices-likely-to-rise-further-video>

Weekly Insights 22 Sep 2020: Looking beyond Saudi inflation & oil exports

Charts of the Week: Saudi inflation numbers (consumer & wholesale prices) show the impact of the tripling of VAT. For now, a proxy indicator of cement sales is showing a pickup post-lockdown, in spite of the VAT hike. We also track the recent changes in Saudi exports, also to understand the impact on government revenues.

1. Saudi inflation picks up post-Jul's VAT hike



Source: Refinitiv Eikon, GaStat, Argam, Nasser Saidi & Associates

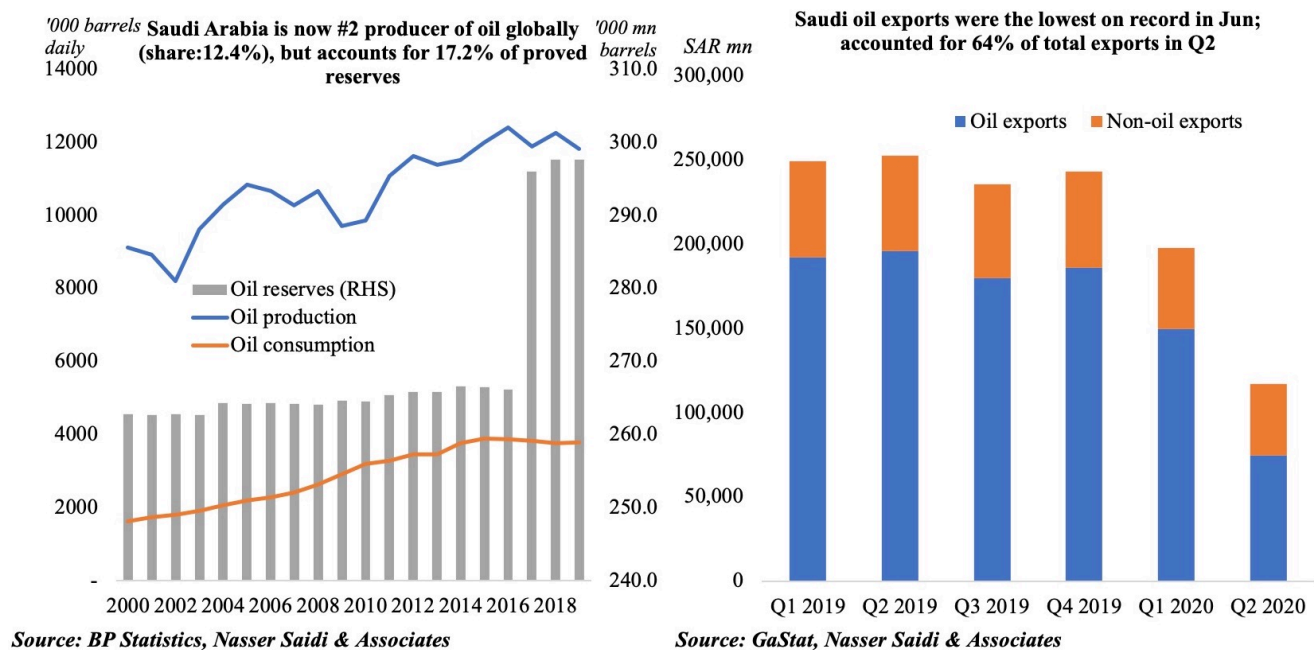
Headline inflation has been climbing in Saudi Arabia from Jul,

not surprising given the VAT hike to 15% (from 5% before). The VAT effect is seen across multiple sub-categories, but note that food prices have been ticking up for many months now. Wholesale prices have also increased, similar to when VAT was initially rolled out in 2018, with metal product prices leading the way: these hikes will also filter down to the end-user.

Household spending will be negatively impacted by the VAT hike ([as seen from recent SAMA data](#)), there seems to be an increase in cement sales – a proxy for the construction sector spending – after the expected dip during the lockdown period. This could be a result of work continuing on mega-projects like NEOM in addition to a boost from the housing market. The surge in mortgage loans this year (+94.4% year-to-date, with the value in Jun 2020 more than three-times compared to Jun 2019) and the announcement that homes priced at SAR 850k and below will not be subject to VAT will support the housing market. Risks of a severe slowdown in government spending and/or delayed payments could however affect near-term demand.

2. Oil sector in Saudi Arabia

The latest trade data from Saudi Arabia shows a drop in overall exports in Q2 this year (-53.6% yoy): oil exports were down by 61.8% yoy, and the share of oil exports fell to 64% in Q2 2020 vs 77.5% in Q2 2019. Partly attributable to the OPEC+ cuts and overall weak global demand for oil (given Covid19), this implies a substantial reduction in government revenues from oil (in 2019, an estimated 63% of total revenues was derived from oil). At the same time, non-oil revenue will also have declined: government's postponement of some taxes and fees will bite into revenues and lockdowns would have negatively affected private sector activity.



Q1 has already posted a budget deficit of SAR 34.1bn, and the IMF estimates (as of June 2020) overall fiscal deficit to widen to 11.4% of GDP this year from 4.5% a year ago. Fiscal consolidation efforts have been a cornerstone of every reform discussion and will likely continue to be – removal of subsidies, reducing public wage bills, raising non-oil revenues – at least in the near-term. This will likely be accompanied by more international debt issuances to finance the deficits, in addition to developing its fledgling local debt market.

The recently released data on world energy from BP shows that though Saudi Arabia is now the second-largest producer of oil globally (behind the US), its proven reserves still account for 17.2% of overall global reserves. But, with the rising rhetoric that oil demand may already have peaked, the pertinent question is whether oil could end up being a stranded asset sooner than later. In this backdrop, with the Covid19 pandemic and a resultant push for climate change policies (before it is too late), it is imperative that the recovery model for Saudi Arabia (and rest of the fuel-exporting nations) includes a strong clean energy policy component within overall reforms, alongside a recasting of its economic diversification model and social contracts.

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