

# **Bloomberg Daybreak Middle East Interview, 18 Mar 2022**

Aathira Prasad joined Manus Cranny on 18th of March, 2022 as part of the Bloomberg Daybreak: Middle East edition, discussing the the soaring food prices in Egypt, higher oil prices and the country getting support from the IMF while also touching upon the inflationary situation in Turkey.

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

<https://www.bloomberg.com/news/videos/2022-03-18/egypt-in-talks-with-imf-on-possible-funding-sources-video>

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# **Bloomberg Daybreak Middle East Interview, 20 Jan 2022**

Aathira Prasad joined Yousef Gamal El-Din and Manus Cranny on 20th of January, 2022 as part of the Bloomberg Daybreak: Middle East edition, discussing the advantages for Turkey on the news that the country signed a \$4.9 billion currency swap agreement with the UAE, in addition to views on Qatar (ahead of the World Cup this year) and the energy market (with a focus on oil).

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

<https://www.bloomberg.com/news/videos/2022-01-20/turkish-reserves-get-5b-boost-from-uae-swap-pact-video>

# Weekly Insights 7 Jan 2021: UAE's silver linings – has the country turned a corner?

Download a PDF copy of this week's insight piece [here](#).

## 1. Heatmap of Manufacturing/ non-oil private sector PMIs

	US	Germany	EU	UK	Japan	China	India	UAE	Saudi Arabia	Egypt	Lebanon	P M I s a c r o s s t h e g l o
Jan-19	54.9	49.7	50.6	52.8	50.3	48.3	53.9	56.3	56.2	48.5	46.5	
Feb-19	53.0	47.6	49.5	52.1	48.9	49.9	54.3	53.4	56.6	48.2	46.9	
Mar-19	52.4	44.1	48.3	55.1	49.2	50.8	52.6	55.7	56.8	49.9	46.3	
Apr-19	52.6	44.4	48.4	53.1	50.2	50.2	51.8	57.6	56.8	50.8	46.7	
May-19	50.5	44.3	47.9	49.4	49.8	50.2	52.7	59.4	57.3	48.2	46.3	
Jun-19	50.6	45.0	47.6	48.0	49.3	49.4	52.1	57.7	57.4	49.2	46.3	
Jul-19	50.4	43.2	46.6	48.0	49.4	49.9	52.5	55.1	56.6	50.3	47.7	
Aug-19	50.3	43.5	47.1	47.4	49.3	50.4	51.4	51.6	57.0	49.4	47.8	
Sep-19	51.1	41.7	46.0	48.3	48.9	51.4	51.4	51.1	57.3	49.5	46.4	
Oct-19	51.3	42.1	46.2	49.6	48.4	51.7	50.6	51.1	57.8	49.2	48.3	
Nov-19	52.6	44.1	47.0	48.9	48.9	51.8	51.2	50.3	58.3	47.9	37.0	
Dec-19	52.4	43.7	46.4	47.5	48.4	51.5	52.7	50.2	56.9	48.2	45.1	
Jan-20	51.9	45.3	48.1	50.0	48.8	51.1	55.3	49.3	54.9	46.0	44.9	
Feb-20	50.7	48.0	49.1	51.7	47.8	40.3	54.5	49.1	52.5	47.1	45.4	
Mar-20	48.5	45.4	44.3	47.8	44.8	50.1	51.8	45.2	42.4	44.2	35.0	
Apr-20	36.1	34.5	33.4	32.6	41.9	49.4	27.4	44.1	44.4	29.7	30.9	
May-20	39.8	36.6	39.5	40.7	38.4	50.7	30.8	46.7	48.1	40.0	37.2	
Jun-20	49.8	45.2	47.4	50.1	40.1	51.2	47.2	50.4	47.7	44.6	43.2	
Jul-20	50.9	51.0	51.7	53.3	45.2	52.8	46.0	50.8	50.0	49.6	44.9	
Aug-20	53.1	52.2	51.6	55.2	47.2	53.1	52.0	49.4	48.8	49.4	40.1	
Sep-20	53.2	56.4	53.5	54.1	47.7	53.0	56.8	51.0	50.7	50.4	42.1	
Oct-20	53.4	58.2	54.8	53.7	48.7	53.6	58.9	49.5	51.0	51.4	43.3	
Nov-20	56.7	57.8	53.8	55.6	49.0	54.9	56.3	49.5	54.7	50.9	42.4	
Dec-20	57.1	58.3	55.2	57.5	50.0	53.0	56.4	51.2	57.0	48.2	n.a	

Source: Refinitiv Datastream, Nasser Saidi & Associates

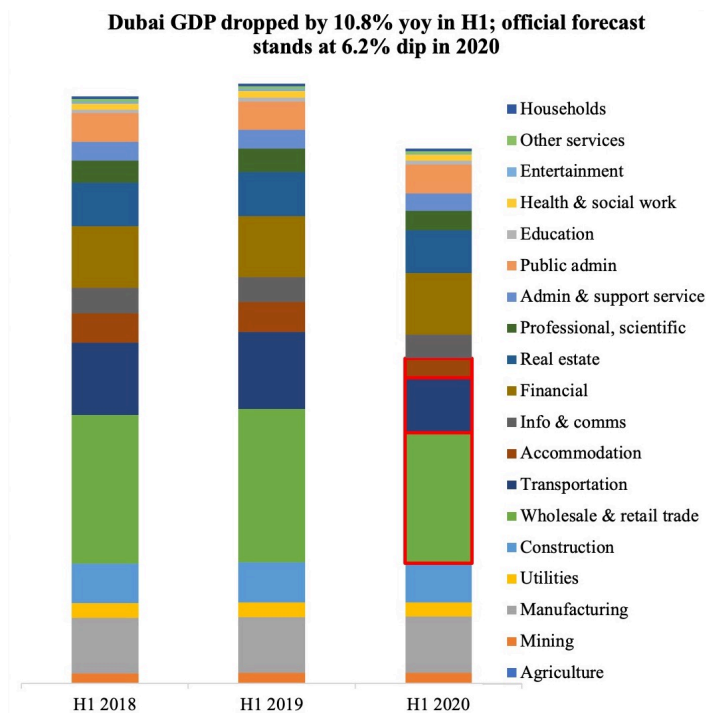
be were released this week. **Overall, recovery seems to be the keyword with improvements in Dec** – in spite of the recent Covid19 surge, the Covid variant and ongoing lockdowns/ restrictions – with new orders and export orders supporting sentiment, with some stability in job creation. However, supply chain issues continue to be a sticking point: the JP Morgan global manufacturing PMI – which remains at a 33-month

high of 53.8 in Dec – identifies “marked delays and disruption to raw material deliveries, production schedules and distribution timetables”.

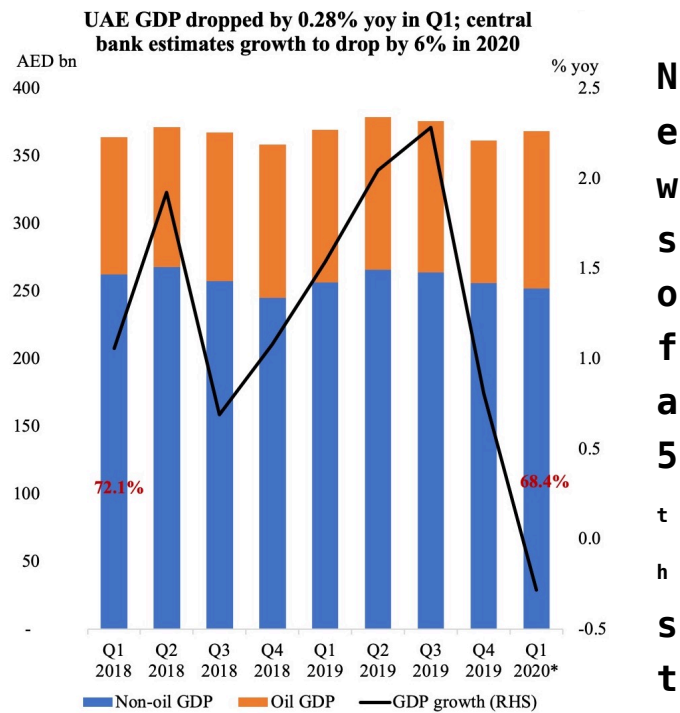
In the Middle East, while **UAE and Saudi Arabia PMIs improved** (the former recovering from 2 straight months of sub-50 readings), **Egypt slipped to below-50** after 3 months in expansionary territory. While Egypt’s sentiment dipped on the recent surge in Covid19 cases, the 12-month outlook improved on optimism around the vaccine rollout. However, the UAE’s announcement of the rollout of Sinopharm vaccine in early-Dec seems to have had little impact on the year-ahead outlook, with business activity expected to remain flat over 2021 (survey responses were collected Dec 4-17) and job losses continuing to fall at an accelerated rate.

## **2. Covid19 & impact on Dubai & UAE GDP**

The UAE has seen a negative impact from Covid19: the central bank estimates growth this year to contract by 6% yoy, with both oil and non-oil sector expected to contribute to the dip (this is less than the IMF’s estimate of a 6.6% drop in 2020). Oil production fell in Q2 and Q3 by 4.1% and 17.7% yoy respectively, in line with the OPEC+ agreement, and spillover effects on the non-oil economy saw the latter’s growth contract by 1.9% yoy in Q1 (vs oil sector’s growth of 3.3%). The latest GDP numbers from Dubai underscore the emirate’s dependence on trade and tourism to support the non-oil economy: overall GDP dropped by 10.8% yoy in H1 2020; the three sectors (highlighted in red border below) trade, transportation and accommodation (tourism-related) which together accounted for nearly 40% of GDP declined by 15%, 28% and 35% respectively. Dubai forecasts growth to decline by 6.2% this year, before rising to 4% in 2021.



Source: Dubai Statistics Centre, FCSA, Nasser Saidi & Associates



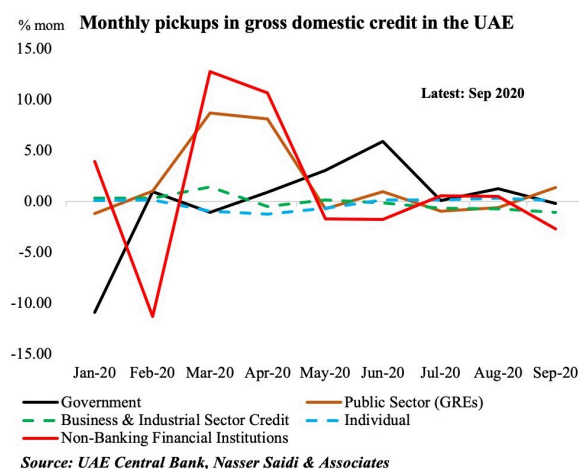
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**ulus package worth AED 315mn** (announced on 6<sup>th</sup> Jan) for Dubai – an extension of some incentives till Jun 202, refunds on hotel sales and tourism dirham fees, one-time market fees exemption for establishments that did not benefit from reductions in previous packages and decision to renew licenses without mandatory lease renewal among others – **will support growth this year, as well as the uptick from Expo 2021** (based on widespread vaccinations across the globe and potential resumption of air travel by H2 this year). With plans to inoculate 70% of the UAE population by 2021, we remain optimistic about UAE/ Dubai prospects subject to the effective implementation of the recent spate of reforms (including the 100% foreign ownership of businesses, retirement & remote working visas etc.) as well as embracing new and old synergies – Israel and Qatar respectively. Medium-term prospects can be further enhanced by accelerating decarbonization and digitisation – [read a related op-ed published in Dec.](#)

### 3. UAE credit and SMEs

The UAE central bank has extended support to those persons and businesses affected by Covid19 by launching the **Targeted Economic Support Scheme**, which is now extended till Jun 2021.

Overall credit disbursed till Sep 2020 was up 2.9% yoy and up 1.2% ytd: but during the Apr-Sep 2020, the pace of lending to GREs (+22.7% yoy) and government (+19.6%) have outpaced that to the private sector (-1.0%).



**Table: Bank lending to MSMEs in the UAE**

in AED bn, unless specified	Dec-19	Mar-20	Jun-20	Sep-20	% qoq (latest)	% ytd
Microenterprises	11.4	10.9	10.5	10.6	1.0%	-7.0%
Small enterprises	28.2	29.4	29.6	28.9	-2.4%	2.5%
Medium enterprises	49.9	53.1	52.3	52.9	1.1%	6.0%
Total lending to MSMEs	89.5	93.4	92.4	92.4	0.0%	3.2%
Total lending to private sector	1150.0	1164.9	1156.3	1138.4	-1.5%	-1.0%
Total domestic lending	1592.6	1595.0	1626.9	1611.7	-0.9%	1.2%
Share of MSMEs as % of private sector lending	7.8%	8.0%	8.0%	8.1%		
Share of MSMEs as % of domestic lending	5.6%	5.9%	5.7%	5.7%		

Source: UAE Central Bank, Nasser Saidi & Associates

	Mar-20	Jun-20	Sep-20	Jun 2020 (% qoq)	Sep 2020 (% qoq)
Microenterprises	30,625	32,021	30,843	4.6	-3.7
Small enterprises	60,150	63,147	54,514	5.0	-13.7
Medium enterprises	29,137	29,767	29,004	2.2	-2.6
Total MSMEs	120,272	124,935	114,361	3.9	-8.5

Source: UAE Central Bank, Nasser Saidi & Associates

**in a difficult period for MSMEs** (Micro, Small and Medium Enterprises): the number of MSMEs declined by 8.5% qoq in Sep 2020, following an uptick of 3.9% qoq in Jun 2020, signaling deteriorating business conditions that may have forced such firms to close. This also suggests a potential increase in NPLs once the current banks' support (e.g. deferring loan periods) come to a close. Overall domestic lending also fell by 0.9% qoq as of Sep 2020. The largest share of loans within the MSME sector continues to be to the medium-sized firms (57.3%) and about 1/3-rd to the small enterprises. Considering the amount disbursed per firm, medium enterprises pocketed AED 1.8mn in Q3: this is 3.4 times the amount disbursed per small firm and 5.3 times the amount disbursed to microenterprises. **SMEs also need to think beyond the financial pain point to survive in the post-pandemic era.** In addition to reducing/streamlining operational costs<sup>[11]</sup>, learning digital skills, boosting online profiles and hosting a robust payments and collections platform will also support SMEs to be more bankable in the future.

#### 4. Back to "business as usual" for the GCC



	2015	2016	2017	2018	2019
<b>Share of Qatar's exports to</b>					
Oman	0.2%	0.3%	0.8%	1.0%	0.8%
Saudi Arabia	1.1%	0.9%	0.4%	0.0%	0.0%
United Arab Emirates	6.1%	6.6%	3.8%	1.7%	1.5%
<b>Share of Qatar's imports from</b>					
Oman	1.1%	1.2%	2.5%	3.1%	3.4%
Saudi Arabia	4.3%	4.3%	2.1%	0.0%	0.0%
United Arab Emirates	8.8%	9.1%	5.5%	0.2%	0.1%

*Source: UN Comtrade, Nasser Saidi & Associates*

The recent GCC Summit saw Qatar's blockade (imposed in 2017)

being lifted: this improves and will support political stability (a "united GCC" front) and is likely to restore UAE and Saudi businesses direct trade and investment links. **Allowing bilateral tourist movements will support upcoming mega-events in the region like the Dubai Expo this year and Qatar's 2022 World Cup.** Trade will be restored among the nations: imports from the UAE had dropped to a negligible 0.1% last year, from close to 10% in the year before the blockade. Oman, meanwhile, had gained – with businesses opting to re-route trade with Qatar through Oman's ports.

**Greater GCC regional stability, implies lower perceived sovereign risk, including credit risk which –other things equal- will lead to an improvement in sovereign credit ratings, lower spreads and CDS rates and encourage foreign portfolio inflows as well as FDI.**

[\[1\]](#) Even Mashreq Bank, Dubai's 3<sup>rd</sup> largest lender, is planning to reduce operational costs by moving nearly half its jobs to cheaper locations in the emerging markets (to be completed by Oct 2021), according to a [Bloomberg report](#).

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# [Updated 21/6/2020] GCC responses to tackle the Covid19 outbreak

As the GCC nations roll out various economic, financial, health and travel-related initiatives, the latest country-by-country measures is compiled below. Scroll down to see a map of the confirmed Covid-19 cases in the Middle East & North Africa region.

**The list is update as of 3:00pm on 21st June, 2020.**

**Table: GCC responses to tackle the Covid19 outbreak**

Bahrain	
Economic & Financial	Health & travel-related
<p>Will slash spending by ministries and government agencies by 30%</p> <p><b>BHD 4.3bn stimulus package:</b> Doubling the Liquidity Fund to BHD 200mn + Waiver on utilities bills for 3 months + Delay in loans installments for 6 months + Supporting wages of citizens in pvt sector</p> <p>BHD 5m allocated to Bahraini families in need &amp; individuals affected by Covid-19</p> <p><b>BHD 177mn (USD 470mn) will be added to this year's budget</b> to tackle emergency expenses related to the Covid19 outbreak</p> <p><b>Central bank moves:</b></p> <ul style="list-style-type: none"><li>- <b>Banned lenders from freezing customers' accounts</b> in case of lost jobs or retirement</li><li>- <b>Cut overnight lending rate to 2.45% from 4%</b> to ensure "smooth functioning of the money markets" (before Fed moves)</li></ul> <p><b>Parliament:</b></p> <ul style="list-style-type: none"><li>- <b>Approved measures like reduction of commercial registration fees as well as labour &amp; utility charges</b> for 6 months</li></ul> <p><b>Cabinet authorised the finance minister to directly withdraw funds</b> with a 5% ceiling from the public account</p> <p><b>Bahrain will not collect rents and allowance from all tenants of municipal properties</b> for three months starting from Apr</p>	<ul style="list-style-type: none"><li>- <b>All non-essential medical services resume operations</b></li><li>- <b>Shops and industrial enterprises opened on May 7;</b> restaurants remain closed still for dine-in customers</li><li>- <b>Plans to resume Friday prayers postponed</b><ul style="list-style-type: none"><li>- <b>Schools scheduled to reopen in Sep</b></li><li>- <b>Bans public gatherings</b> of more than 5 individuals</li></ul></li><li>- <b>Bahrain will allow passengers to transit through the international airport;</b> entry into the country will be limited to only citizens; mandatory 14-day self-isolation</li></ul>
Kuwait	

Economic & Financial	Health & travel-related
<p><b>Central bank:</b></p> <ul style="list-style-type: none"> <li>– <b>Reduced the discount rate to 1.5% (from 2.5%) a record-low</b> <ul style="list-style-type: none"> <li>– <b>Reduced liquidity and capital adequacy requirements for banks &amp; cut risk weighting for SMEs</b> (estimated to raise bank lending by USD 16bn)</li> </ul> </li> <li>– <b>Domestic banks will defer payment of consumer &amp; SME loans</b> and financing, credit card instalments for six months</li> </ul> <p>Set up a <b>KWD 10mn (USD 33mn) fund</b>, to be financed by Kuwaiti banks</p> <p><b>Government authorized additional funding</b> of KWD 500mn (USD 1.5bn) to ministries and state agencies for fight against Covid19</p> <p><b>Suspended fees</b> on point of sales devices and ATM withdrawals + increased the limit for contactless payments to KWD 25 from KWD 10</p> <p>The <b>Kuwait Fund for Arab Economic Development</b> pledged almost USD 95mn to support government efforts</p>	<ul style="list-style-type: none"> <li>– <b>Kuwait eases “total curfew” to between 7pm to 5am</b>; lockdown on Hawally area has been lifted</li> <li>– <b>Parliament suspended</b> for 2 weeks (from Jun 18); <b>public sector</b> employees not be allowed to return to offices from this week (starting Jun 21)</li> <li>– <b>Expiring residence permits/ visas expiring in Jun extended for 3 months</b> <ul style="list-style-type: none"> <li>– Closed schools, shopping centres, cinemas, wedding halls &amp; children’s entertainment <ul style="list-style-type: none"> <li>– Halted ALL commercial passenger flights</li> </ul> </li> </ul> </li> <li>– <b>All educational institutions in Kuwait will reopen on 4<sup>th</sup> Aug</b></li> </ul>
<b>Oman</b>	
Economic & Financial	Health & travel-related
<p>CB announces a <b>\$20bn incentive package</b></p> <ul style="list-style-type: none"> <li>– Repo rate cut by 75bps to 0.5%;</li> <li>– Reduce Capital Conservation Buffers for banks to 1.25% from 2.5%;</li> <li>– Lending Ratio / Financing Ratio for lenders increased to 92.5% up from 87.5%</li> <li>– banks and financial institutions to <b>freeze repayments</b> of personal and housing loans for three months, effective from May</li> <li>– Reduce existing fees related to banking services + avoid introducing new fees</li> </ul> <p><b>Finance ministry slashed approved budgets</b> of civil, military and security agencies by 5%</p> <p><b>All government companies have to reduce approved expenditures for 2020 by 10%</b> + no execution of new projects or capital expenditures for the year; all exceptional bonuses for state employees would be halted</p> <p><b>Other measures include</b> tourism &amp; municipality tax breaks, free government storage facilities and postponement of credit instalment payments</p>	<ul style="list-style-type: none"> <li>– <b>Lockdown in Muscat ended; Dhofar Governorate in Oman closed from 12 noon of June 13 until July 3 for tourism</b> <ul style="list-style-type: none"> <li>– At least 50% of employees in government entities will work from the offices starting May 31</li> </ul> </li> <li>– <b>Oman has closed its borders; all domestic and international flights to and from airports suspended from 12 noon of Mar 29</b></li> <li>– <b>Covid-19 tests and treatments will be done for free</b> for all communities</li> <li>– <b>Suspend issuance of tourist visas; will not allow cruise ships to dock</b> at its ports during this period <ul style="list-style-type: none"> <li>– Schools closed; all public parks closed, public gathering prohibited, Friday prayers at mosques suspended; limited staffing at estate entities</li> <li>– <b>Few shops in Oman</b> (consulting, law, audit firms, flower shops, boutiques etc) to <b>reopen</b></li> </ul> </li> <li>– <b>Restrictions are still in place on gatherings</b> (of more than 5 individuals) on beaches and other public places</li> </ul>
<b>Qatar</b>	
Economic & Financial	Health & travel-related



<p>A \$23.3bn stimulus package</p> <ul style="list-style-type: none"> <li>– QAR 75bn (\$20.6bn) to provide financial + economic incentives for private sector</li> <li>– CB to put in place an <b>appropriate mechanism to encourage banks to postpone loan installments and obligations of the private sector</b> with a grace period of 6 months</li> <li>– Qatar Development Bank to <b>postpone installments for all borrowers</b> for 6 months</li> <li>– Qatar's government entities directed to <b>reduce costs for non-Qatari employees by 30% as of Jun 1</b> (either pay cuts or layoffs)</li> <li>– Directing <b>govt funds to increase investments in the stock exchange</b> by QAR 10bn (\$2.75bn)</li> <li>– Exempting <b>food &amp; medical goods from customs duties</b> for 6 months</li> <li>– <b>Utilities bill exemption</b> for SMEs, affected sectors; <b>rent exemption</b> for 6 months</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Four-phased recovery programme planned:</b> Mosques to reopen Jun 15th, restaurants to partially reopen (Jul 1)</li> <li>– All <b>international flights suspended</b> from Mar 18; cargo aircraft, transit flights exempt; travel ban on all travelers except Qatari nationals</li> <li>– <b>Qatar Airways grounds its A380 fleet; to temporarily reduce 40% of staff</b> (in food and beverage, retail &amp; ground staff) at Hamad Airport</li> <li>– Educational institutions closed; parks and public beaches closed <ul style="list-style-type: none"> <li>– <b>Bans social gatherings;</b> introduces enforcement measures: checkpoints and mobile police patrols</li> </ul> </li> <li>– <b>Private sector companies instructed to have 80% of their staff work from home</b>, effective Thurs (Apr 2) for an initial 2 weeks</li> <li>– <b>Public transport modes have been stopped</b> <ul style="list-style-type: none"> <li>– 6 tonnes of <b>aid sent to Iran</b> (medical equipment &amp; supplies); donating \$150mn in aid to Gaza</li> </ul> </li> </ul>
<b>Saudi Arabia</b>	
<b>Economic &amp; Financial</b>	<b>Health &amp; travel-related</b>

<ul style="list-style-type: none"> <li>– <b>SAR 120bn worth measures</b> to support the pvt sector including postponement of VAT/ excise/ income tax/ Zakat payments, exemptions of govt dues etc</li> <li>– <b>SAMA's SAR 50bn stimulus package:</b> financing support for SMEs (including deferred loan payments, concessional loans) and coverage of points of sale &amp; e-commerce fees</li> <li>– <b>SAMA's measures for supporting &amp; financing the private sector:</b> adjusting or restructuring the current funds without any additional costs or fees + reviewing reassessment of interest rates and other fees on credit cards + refunding travel-related forex transfer fees</li> <li>– <b>SAR 7bn allocated to Health Ministry in addition to the SAR 8bn package earlier</b> + SAR 32bn approved for healthcare facilities</li> <li>– <b>Government will cover 60% of private sector salaries (of Saudi citizens)</b> hit by Covid-19; first payment to be send on May 3.</li> <li>– Will <b>allow private businesses</b> (affected by Covid19) <b>to reduce working hours and permit wages to be reduced</b> by not more than 40%</li> <li>– <b>Additional set of measures announced:</b> SAR 50bn to accelerate payment of private sector dues &amp; provide liquidity to several sectors while a further SAR 47bn was set aside for the health sector</li> <li>– <b>Saudi Industrial Development Fund</b> revealed a SAR 3.7bn (USD 3.62bn) stimulus package for industrial sector companies</li> <li>– <b>Initiatives to reduce private sector's burdens related to manpower:</b> e.g. lifting halts on non-payment of fines, fines related to workers recruitment etc.</li> <li>– <b>Saudi Arabia will cut SAR 50bn</b> (USD 13.32bn or less than 5%) of the 2020 budget; <b>cost of living allowance scrapped</b> <ul style="list-style-type: none"> <li>– <b>VAT to be tripled to 15% starting 1st Jul</b></li> </ul> </li> <li>– Land borders with UAE, KW, Bahrain closed except for commercial trucks; shipping services suspended from 50 countries; cargo traffic not affected</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Restrictions eased across the nation: Saudi Arabia initiates the 3<sup>rd</sup> phase of its recovery plan</b> by opening most commercial activities from <b>Jun 20</b>. Mosques in Makkah are also set to reopen with social distancing measures in place.</li> <li>– <b>Domestic flights resume; intl passenger flights still suspended + workplace attendance in both public and private sectors</b></li> <li>– <b>Malls reopen with multiple safety measures</b></li> <li>– <b>Mosques reopened with restrictions; Umrah pilgrimages</b> to Mecca &amp; Medina under a temporary ban</li> <li>– Capital Markets Authority <b>urged shareholders &amp; invested in listed companies to vote electronically</b> in upcoming meetings; <b>Tadawul reduces trading hours</b></li> </ul>
<b>United Arab Emirates</b>	
<b>Economic &amp; Financial</b>	<b>Health &amp; travel-related</b>

<p><b>UAE announces a 2-phase recovery plan:</b> short-term gradual re-opening (include the AED 282.5bn stimulus) + focus on sectors “with high potential” in the long-term (AI, 5G, IoT, Blockchain, RE, EVs, 3D printing, robotics...)</p> <p><b>Central bank:</b></p> <ul style="list-style-type: none"> <li>– <b>AED100bn stimulus</b> to facilitate temporary relief on private sector loans &amp; promote <b>SME lending</b>; support also the <b>real estate sector</b></li> <li>– 50% reduction in reserve requirements for demand deposits to 7% (releasing ~ USD 16.6bn in liquidity) <ul style="list-style-type: none"> <li>– <b>Banks to reschedule loans contracts</b> + grant deferrals on monthly loan payments (till end-2020) + reduce fees and commissions</li> </ul> </li> </ul> <p><b>UAE Cabinet: additional AED 16bn stimulus</b> to reduce cost of doing business, support small business, accelerate implementation of govt infrastructure projects</p> <p><b>Ministry of Economy reduced fees of 94 services</b></p> <p><b>Dubai:</b> AED 1.5bn stimulus package to support businesses affected by Covid19 including 10% reduction in utilities bills</p> <p><b>Abu Dhabi:</b> AED 5bn in utilities subsidies; free road tolls till end-2020, 20% rebate on rental values for restaurants + tourism &amp; entertainment sectors (+ faster implementation of Ghadan-21 initiatives)</p> <p><b>Dubai Freezones launch stimulus package:</b> rents postponed for six months; cancellation of fines; free movement of labour with temporary contracts</p> <p><b>Federal Tax Authority extends the Excise Tax return submission deadline</b> for March and April 2020 to May 17, 2020</p>	<ul style="list-style-type: none"> <li>– <b>Varied restriction across emirates:</b> Abu Dhabi imposes movement ban from/to the emirate till Jun 23rd; <ul style="list-style-type: none"> <li>– <b>Easing of restrictions:</b> mall capacity increased; restaurants, gyms, beaches, museums reopen.</li> </ul> </li> <li>– <b>Dubai permits shopping malls and private businesses to operate at full capacity</b></li> <li>– <b>Metro services re-open;</b> buses and taxis are operational</li> <li>– 30% of federal employees return to work from May 31; <b>full capacity in Dubai’s govt offices &amp; 30% in Sharjah’s govt offices from Jun 14</b></li> <li>– <b>Curfews reduced</b> to between 10pm-6am; in Dubai from 11pm to 6am</li> <li>– <b>Entry for residents overseas to start from Jun 1;</b> temporary ban to issue new visas <ul style="list-style-type: none"> <li>– All inbound, outbound and transit flights suspended from Mar 25; <b>Emirates bookings are open from Jul 1</b> for 12 Arab nations; UAE airports welcome transit passengers.</li> </ul> </li> <li>– <b>Schools to be closed till end-Jun;</b> distance learning extended. Schools will reopen in Sep, though discussions ongoing regarding the method of learning in the 2020-21 academic year. <ul style="list-style-type: none"> <li>– <b>Mosques, churches and other places of worship remain closed</b></li> <li>– <b>Opened, with social distancing measures:</b> public parks, beaches, cinemas, gyms</li> </ul> </li> <li>– <b>Supporting others:</b> Sends 2 batches critical medical aid to Iran in Mar + flew 215 people from different countries out of Wuhan to Abu Dhabi’s Emirates Humanitarian City</li> </ul>
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**Map: Number of Confirmed Covid19 cases by country (Source: Johns Hopkins University)**

Middle East

North Africa

Iran & Afghanistan

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# From Frontier to Emerging: Does Market Reclassification Matter?

<http://nassersaidi.com/wp-content/uploads/2012/03/From-Frontier-to-Emerging-Does-Market-Reclassification-Matter.pdf>

DIFC Economic Note 19, titled [From Frontier to Emerging – Does Market Reclassification Matter?](#), discusses and compares the market classification criteria and methodology used by the various index providers, including MSCI, noting the similarities and differences. MSCI have indicated that the UAE



and Qatar are being considered for re-classification from Frontier to Emerging market status, subject to a number of reforms. Evidence on the effects of reclassifications in both developed and developing economies is studied in this paper and we find that while MSCI have undertaken some 14 reclassifications over the years, six of them have been downgrades while there have been no reclassification from Frontier to Emerging, yet.

Using past examples of classification changes, this paper examines the short- and long-term impacts of the reclassification – including an empirical analysis of the effects on markets returns of the classification of Egypt and Morocco as emerging markets. Our results indicate that the initial announcement of a potential reclassification leads to an “overshooting” with investors speculatively bidding up securities prices and returns prior to the actual reclassification event, leading to almost no impact post-reclassification. Additionally, too much emphasis is placed on a potential market reclassification, with many forgetting that reclassifications are best viewed as signaling a confirmation of policy reforms and changes in market conditions, which trigger the reclassification. Thus, there is an identification effect whereby improved market conditions, which are a result of policy actions and reforms (leading to a reclassification), could empirically be attributable to the reclassification itself.