

Business

NBK Macroeconomic Outlook Markets on UAE

UAE non-oil economic growth expected to hit 3.6% by 2021

Pro-investment reforms to provide impetus for stronger economic performance

KUWAIT: UAE economic growth should trend higher over 2019-2021, led mainly by ongoing gains in non-oil sector activity and by a pick-up in the oil economy. We foresee real GDP growth edging up from 2.2 percent in 2018 to around 3.0 in 2021.

Real oil sector growth is projected to remain capped by OPEC+ production cut agreement, which has been recently extended until March 2020. But with some increase in oil production to reach the quota set in the current agreement, growth could average 1.2 percent over the forecast period.

The non-oil economy is forecast to maintain a stronger growth momentum, as the transport, construction and tourism sectors (large contributors to non-oil GDP growth) gather pace, including in the run-up to the Expo 2020 event in Dubai. The non-oil sector will be further supported by growth-boosting initiatives launched at the federal level, including the adoption of a new investment law to facilitate investment inflows and the issuance of long-term visas for highly skilled workers and high-net worth individuals. This, the authorities hope, will lead to the retention of expertise and investment and boost longer-term growth.

Some high frequency data bode well for future performance. The recent Markit Purchasing Managers' Index (PMI) surged to a multi-year high, led by robust gains in new orders and output. However, hiring remains sluggish, which continues to limit gains in domestic demand.

Real estate sector prices continue to decline

Residential property prices in Dubai have been in

UAE economic performance is expected to steadily improve, with non-oil economic growth reaching 3.6% by 2021; inflation should remain subdued over the coming two years. Accommodative monetary policy, supported by the low global interest rate environment, improving public finances, policy-making agility and pro-investment reforms will provide the impetus for stronger economic performance. A possible global slowdown, reduced housing activity and lower oil prices could temper the outlook.

decline since 2014 due mainly to oversupply and somewhat tighter regulations. Besides presenting some credit risks, the fall in real estate prices could eventually lead to lower activity in the sector over the medium term, affecting non-oil growth.

Price growth slips into deflation

Consumer price growth in the UAE has been in deflationary territory since the start of 2019, as the effects of 2018's tax/fuel hikes waned and as housing costs fell more steeply than expected. We are likely to see prices beginning to rise again only slightly towards the end of 2019, but inflation will be restrained by continued declines in the housing component. As such, we have revised down our inflation forecast for 2019 from 2.0 percent previously to -1.0 percent. Inflation will likely pick up to 1 percent and 1.5 percent in 2020 and 2021, respectively.

Fiscal position on the mend

The fiscal balance should improve and return to surplus in 2020 on the back of higher oil and non-oil revenues, the latter helped by higher taxes and fees due to a pick-up in economic activity. Last year, the UAE embarked on a fiscal adjustment and reform program: VAT was introduced; subsidies were cut; and fees on certain services were levied. Thanks to its sizeable fiscal buffers, the UAE is well placed to withstand negative shocks, and both Dubai and Abu Dhabi should be able to sustain high levels of public spending, particularly on infrastructure.

Current account surplus

The surplus on the current account is gradually recovering, as both oil and non-oil export earnings increase. We expect the CA surplus to rise to an average of 9 percent over 2019-2021. In tandem with



improvements in business activity, credit growth remained relatively firm at 4.4 percent y/y in April. With the US Fed holding off on tightening monetary policy, the cost of funding will remain low, providing further support to lending and non-oil sector growth.

Good outlook but some risks remain

In view of its relative openness, the UAE economy will be affected by trade tensions and any slowdown in global economic growth. Transport, logistics, tourism, and foreign investment could all be impacted. Besides the ever-present geopolitical dimension and sensitivity to oil price movements, a slowdown in construction activity over the medium term is another risk. However, recently announced growth-enhancing structural reforms across the UAE are likely to temper these risks and support economic growth going forward.

Ford's car hacks for millennials: How to change a wheel

DUBAI: While many young drivers love the freedom that comes from getting behind the wheel, few possess knowledge of simple, practical car repair skills that can get them out of a jam. But knowing how to go about easy jobs, like changing a wheel, means that young drivers needn't feel helpless if they find themselves with a problem.

Ford Middle East has produced a series of videos aimed at giving young drivers the tools they need to enjoy their time behind the wheel more. The latest video in the series focuses on what you need to do when you discover you've got a flat tire. "Flat tyres never happen at a convenient time - and some drivers don't have any idea what they need to do," said Grant Fitzpatrick, Ford Middle East's Customer Service director. "Some people think it's very complicated or physically demanding, and many people prefer to call in recovery services or someone they know to help out."

"But it's actually fairly straight forward when you've been shown what to do, and how to do it safely. With a little know-how, you can switch out your flat with the spare and be on your way before you know it, in case you have to do it yourself," he added.

The tips in the video are simply a guideline, and all drivers should familiarize themselves with the owner's guide instructions, the location of their spare wheel, jack and other equipment before attempting to safely change the flat tire on their own car. "This is an extremely valuable skill for every driver to have," added Fitzpatrick. Ford's RoadSide Assistance is a perfect backstop for any driver, and a quick phone call away. But being able to change your wheels on your own means you can be on your way a little sooner."



What sets the Huawei Mate 20X 5G apart from other 5G devices?

KUWAIT: Thanks to the developments in the connectivity sector, 5G connectivity has now become the next step of modern networking. With 5G connectivity slowly but surely rolling out in the region, users have started looking at getting their devices upgraded. Huawei has already taken the first step towards providing its customers with the all-new Huawei Mate 20X 5G. But what makes this phone different from other 5G devices? Customer centric innovations, features and powerful hardware that make it the 5G smartphone you are looking for.

Authentic 5G experience

The key focus of the Huawei Mate 20X 5G is its 5G capabilities, which by itself sets the bar high for 5G devices. Powered by two chipsets, the Huawei Mate 20X 5G packs twice the power with the Balong 5000 and Kirin 980, Huawei's first 5G multi-mode chipset and the first commercial

7nm mobile AI SoC respectively. While the Kirin 980, a chipset that is reputed for its speed and efficient processing, powers the phone, the next generation Balong 5000 allows for exceptional and unprecedented 5G connectivity with compatibility for multiple network technologies ranging from 2G to 4G/LTE.

[1] Actual user experience is based on telecom operators' networks and associated deployments. Please contact your local telecom operator for more information.

Ultra-large OLED display

The HUAWEI Mate 20X 5G comes packed with a massive 7.2-inch Dewdrop Display complemented by extremely slim bezels paving the way for a superior viewing experience. Paired with the 5G connectivity and high speed downloads, this massive display is perfect for movie streaming or online gaming scenarios creating an immersive multimedia entertainment experience.

Powerful Matrix camera system

On the back of the Huawei Mate 20X 5G, you can see the Matrix camera system that promises stunning shots in any scenario ranging from macro to ultra-wide. The powerful setup houses three Leica cameras, a 40MP wide angle, 20MP Ultra-Wide angle and the 8MP telephoto cam-

era, all of them which work together with the powerful on-board AI to deliver stunning photos.

Long lasting battery

Such powerful hardware requires a large battery to run all-day and Huawei delivers on this aspect as well. Under the hood of the Huawei Mate 20X 5G rests a massive 4200mAh high density battery that can last for extended periods of use. This is further supported by the 40W Huawei SuperCharge and certified by TuV Rheinland, an authoritative and independent international organization that provides product safety assessment and certification services. Additionally, the Huawei Mate 20X 5G also features an AI-powered battery optimizer that intelligently manages and regulates power consumptions in the background.

Improved cooling solutions

While concerns of smartphones heating up are all over the news, the Huawei Mate 20X 5G comes built with a groundbreaking cooling solution that utilizes graphene film and vapor chamber that keeps the phone cool. This technology ensures that even during high performance or extended use, the phone remains cool and responsive, not creating any hiccups in performance.



US trade deficit hits 5-month high as imports from Mexico soar

WASHINGTON: America's politically-sensitive trade deficit jumped to a five-month high in May as imports of automobiles hit the highest on record, according to government data released yesterday. The trade deficit with Mexico, a country President Donald Trump threatened with stinging tariffs, rose to its highest in a decade,

according to the Commerce Department report.

Financial markets in May were whipsawed by the shifting uncertainties of Trump's trade wars, and fears of the impact of more tariffs on the US economy. This data should prove frustrating for the president, who has made eliminating the deficit a signature goal of his administration, saying it is a sign other countries are stealing from the United States. The US trade gap jumped 8.4 percent to \$55.5 billion, seasonally adjusted, well above analyst forecasts. That surge combined with the April trade gap, which was revised higher than originally reported, could weigh on growth forecasts for the second quarter. May was another challenging month for global trade, as Trump threatened to stifle commerce with major partners: Trade talks with China nearly collapsed, and Trump threatened to impose duties on all Chinese imports — and on all goods from Mexico in a dispute over migrants at the southern border.

Reorienting trade

Those dangers have receded for the moment following truces with Beijing and Mexico City, but while those positive turns remained uncertain importers may have rushed in to lock in lower prices and rebuild inventories. Imports of goods and services rose 3.3 percent to \$266.2 billion in the latest month, the largest jump in more than four years as Americans bought more passenger cars, crude oil, semiconductors and consumer items, the report said.

Economists John Ryding and Conrad DeQuadros of RDQ Economics, question whether the trade will impact US growth in the April-June quarter. "It is not trade that is subtracting from growth but domestic supply constraints that are holding back growth," they said in an analysis. "Imports have surged over the last three months but these imports are vital for domestic production." —AFP

EXCHANGE RATES

Al-Muzaini Exchange Co.		Yemen Riyal/for 1000		Turkish Lira		Hong Kong Dollar	
EUROPEAN & AMERICAN COUNTRIES		Tunisian Dinar	109.050	Singapore dollars	222.971	Indian Rupee	0.003803
US Dollar Transfer	304.250	Jordanian Dinar	429.880			Indonesian Rupiah	0.000017
Euro	345.020	Lebanese Lira/for 1000	0.203			Japanese Yen	0.002723
Sterling Pound	384.570	Syrian Lira	0.000			Korean Won	0.000250
Canadian dollar	233.320	Morocco Dirham	32.367			Malaysian Ringgit	0.070242
Turkish lira	54.430					Nepalese Rupee	0.002677
Swiss Franc	310.780					Pakistan Rupee	0.001370
US Dollar Buying	296.900					Philippine Peso	0.005827
ASIAN COUNTRIES						Singapore Dollar	0.218922
Japanese Yen	2.827					Sri Lankan Rupee	0.001352
Indian Rupees	4.422					Taiwan	0.009695
Pakistani Rupees	1.946					Thai Baht	0.009590
Sri Lankan Rupees	1.724					Vietnamese Dong	0.00013
Nepali Rupees	2.758						
Singapore Dollar	225.200						
Hongkong Dollar	39.021						
Bangladesh Taka	3.587						
Philippine Peso	5.951						
Thai Baht	9.970						
Malaysian ringgit	77.813						
GCC COUNTRIES							
Saudi Riyal	81.187						
Qatari Riyal	83.620						
Omani Riyal	790.773						
Bahraini Dinar	808.420						
UAE Dirham	82.891						
ARAB COUNTRIES							
Egyptian Pound - Cash	21.750						
Egyptian Pound - Transfer	18.278						
Dollarco Exchange Co. Ltd							
Rate for Transfer	Selling Rate						
US Dollar	303.640						
Canadian Dollar	231.025						
Sterling Pound	386.455						
Euro	346.375						
Swiss Frank	298.070						
Bahrain Dinar	807.490						
UAE Dirhams	83.070						
Qatari Riyals	84.310						
Saudi Riyals	81.865						
Jordanian Dinar	429.550						
Egyptian Pound	18.210						
Sri Lankan Rupees	1.719						
Indian Rupees	4.379						
Pakistani Rupees	1.933						
Bangladesh Taka	3.596						
Philippines Peso	5.904						
Cyprus pound	18.065						
Japanese Yen	3.825						
Syrian Pound	1.590						
Nepalese Rupees	2.739						
Malaysian Ringgit	74.225						
Chinese Yuan Renminbi	44.515						
Thai Bhat	10.825						
BAHRAIN EXCHANGE COMPANY WLL							
CURRENCY	BUY	SELL					
British Pound	0.377253	0.391153					
Czech Korune	0.005473	0.014773					
Danish Krone	0.041928	0.046928					
Euro	0.335851	0.349551					
Georgian Lari	0.106544	0.106544					
Hungarian 0.000971	0.001161						
Norwegian Krone	0.031397	0.036597					
Romanian Leu	0.055599	0.072449					
Russian ruble	0.004818	0.004818					
Slovakia	0.009097	0.019097					
Swedish Krona	0.028486	0.033486					
Swiss Franc	0.301743	0.312743					
Australasia							
Australian Dollar	0.204069	0.216069					
New Zealand Dollar	0.196717	0.206217					
America							
Canadian Dollar	0.226362	0.235352					
US Dollars	0.300250	0.305550					
US Dollars Mint	0.300750	0.305550					
Asia							
Bangladesh Taka	0.003007	0.003808					
Chinese Yuan	0.042893	0.046393					
Bahraini Dinar	0.792724	0.809224					
Egyptian Pound	0.018633	0.021993					
Iranian Riyal	0.000084	0.000086					
Iraqi Dinar	0.000210	0.000270					
Jordanian Dinar	0.424361	0.433361					
Kuwaiti Dinar	1.000000	1.000000					
Lebanese Pound	0.000161	0.000251					
Moroccan Dirhams	0.021368	0.045366					
Omani Riyal	0.784201	0.789881					
Qatar Riyal	0.079330	0.084270					
Saudi Riyal	0.080073	0.081373					
Syrian Pound	0.001290	0.001510					
Tunisian Dinar	0.102677	0.110677					
Turkish Lira	0.047418	0.057263					
UAE Dirhams	0.081438	0.083138					
Yemeni Riyal	0.000989	0.001069					