Mideast drives global post-COVID rebound in tourism sector: HSBC

Saudi, UAE record 'total recovery' in terms of tourist arrivals

KUWAIT: The Middle East's tourism sector has recorded the strongest post-pandemic rebound in the world, despite persistent global economic headwinds, reports HSBC.

The region, home to the biggest Arab economy Saudi Arabia and the global leisure and commercial hub of the UAE, is unique in recording a "total recovery" in terms of tourist arrivals in the first quarter of 2023, the bank said in its new 'Jet, set, go!' research report. The number of tourist arrivals in the first three months of this year climbed 15 percent on the levels recorded in 2019.

The scale of recovery of the tourism sector in the Middle East was significantly greater than Europe in second place, which saw the visitors' number reaching 90 percent of the pre-pandemic level, the report said. The Middle East's tourism sector has emerged as a global leader in post-pandemic recovery, showcasing impressive resilience despite prevailing economic challenges, according to a recent research report by HSBC. While many parts of the world continue to grapple with the impacts of the COVID-19 pandemic, countries in the Middle East, particularly Saudi Arabia and the UAE have achieved a "total recovery" in terms of tourist arrivals during the first quarter of 2023.

HSBC's research highlights the Middle East's exceptional performance in tourism recovery, positioning it as the first region globally to surpass pre-pandemic levels. The development and expansion of the tourism sector have emerged as key economic strategies for Middle Eastern nations, especially for countries within the Gulf Cooperation Council (GCC). These nations are diligently working to diversify their economies away from traditional oil-centric models.

Saudi Arabia has set ambitious targets for its tourism sector, aiming to welcome 100 million visitors annually by 2030. The country's robust investments are evident through initiatives such as the establishment of the Saudi Tourism Investment Company (Asfar), dedicated to supporting the sector's growth. The UAE, the Arab world's second-largest economy, is equally committed to enhancing its tourism sector. Sheikh Mohammed bin Rashid, Vice President and Ruler of Dubai, has set ambitious targets to attract 40 million tourists within seven years. This drive reflects the nation's intention to boost the tourism sector's contribution to the GDP.

DUBAI: The UAE has recorded a "total recovery" in terms of tourist arrivals in the first quarter of 2023.

HSBC's findings indicate that the Middle East boasts the highest share of GDP derived from tourism globally, standing at 5 percent. This emphasis on tourism bodes well for the region's economic future as global recovery progresses. With international tourism receipts reaching $1 trillion last year, the potential for sustained growth is evident.

The HSBC study highlights the varying degrees of recovery across regions. While Europe witnessed a substantial rebound at 87 percent of pre-pandemic levels, Africa, the Middle East, and the Americas followed closely at 75 percent, 70 percent, and 68 percent respectively. The study also anticipates Asian destinations to experience a sharp increase in 2023 as border shutdowns recede.

As the Middle East leads the world in tourism recovery post-pandemic, it exemplifies the power of strategic investments, resilience, and adaptability. The region's commitment to diversifying economies and promoting tourism lays a foundation for a prosperous future. With Saudi Arabia and the UAE spearheading the transformation, the Middle East emerges as a global role model for rejuvenating sectors and economies amid unprecedented challenges. – Agencies

Global dividends hit record $568bn in second quarter

PARIS: Dividends paid by the world's biggest listed companies soared to a record $568.1 billion in the second quarter, with payouts to shareholders expected to grow further despite economic uncertainty, a study showed Wednesday.

Payments by the 1,200 biggest public companies rose more than expected, increasing by 4.9 percent compared to the same April-to-June period last year, according to the report by asset management firm Janus Henderson. Banks accounted for half of the world's dividend growth as their margins were boosted by interest rate hikes, the report said.

Automakers represented one-seventh of the increase. Firms in Europe, excluding Britain, led the pack with payouts rising by 9.7 percent to $184.5 billion. North American companies paid out $165.3 billion, a 4.2 percent increase. Swiss food giant Nestle was the world's biggest dividend payer, followed by British bank HSBC and German automaker Mercedes-Benz.

Ben Lofthouse, head of global equity income at Janus Henderson, said global economic growth is "moderating" as interest rates increase. "Markets now expect global profits to be flat this year, after soaring to record highs in 2022, and when we speak to companies around the world, they are now more cautious about the outlook," Lofthouse said.

Central banks have hiked rates as they battle high inflation. Lenders have responded by increasing their own rates, boosting their profits. While a weaker economy is usually bad for banks, their rising margins are driving dividend payouts, Lofthouse said.

However, he added, "we do expect dividend growth to continue." – AFP

Mali-based Loulo-Gounkoto complex. Mali adopted a new mining code on Tuesday that mining sector officials said would channel a greater share of revenue to state coffers and increase state and private Malian interests in new projects.

Mali adopts new mining code to reap gold profits

BAMAKO, Mali: Mali has adopted a new mining code allowing the state to take up to 30 percent stakes in new mineral projects and collect more revenues from the vital industry. Junta leader Assimi Goita signed the code into law on Monday, his office announced on social media Tuesday.

Mali, a poor Sahel country, is one of Africa's leading gold producers. It also boasts manganese and lithium — two minerals key to the global energy transition — though these have not been extensively explored. Mali produced 72.2 tons of gold in 2022, including six tons by artisanal gold panners, then-mines minister, Lamine Seydou Traore, said in March.

Gold accounts for 25 percent of the national budget, 75 percent of export earnings and 10 percent of GDP, he added. Mali's mining sector is dominated by foreign companies, including the Canadian firms Barrick Gold and B2Gold, Australia's Resolute Mining and the British Hummingbird Resources.

They have continued to operate despite political instability and an expanding jihadist insurgency.

Mali's junta, which seized power in 2020, has made sovereignty a key priority. The mining code reform could boost the national budget by 500 billion CFA francs ($820 million), economy minister Alousseni Sanou, said this month. The new mines minister, Amadou Keita, said the state hoped the mining industry would eventually contribute to between 15 and 20 percent of GDP.

The reform allows the government to hold up to 10 percent equity in new projects with the option to buy an additional 20 percent during the first two years of commercial production.

And it allows the Malian private sector to hold up to five percent. The new code also removes tax exemptions for mining companies during operations. According to the economy minister, exemptions on petroleum products and equipment represent about 60 billion CFA francs a year.

The junta had for months championed the proposed reform, pledging to make "gold shine for Malians". "Mali's demand for higher stakes in mining projects... reflects a wider trend across the continent where resource-rich countries, impacted by the knock-on effects of global shocks, aim to increase their control over the mining sector," Mucahid Durmaz, an analyst with Verisk Maplecroft, said in a note. But, he added, the Malian government is "walking a tightrope" and must be "cautious not to scare away investors". – AFP

German inflation eases slightly to 6.1% in August

BERLIN: German inflation dipped slightly in August, official data showed Wednesday, but remained at a level three times higher than the European Central Bank's target rate. The annual inflation rate in Europe's biggest economy eased to 6.1 percent, down from 6.2 percent in July, according to preliminary data from the federal statistics office Destatis.

The data was also a touch above the 6.0 percent forecast by analysts polled by financial data company FactSet. Soaring energy prices in the wake of Russia's war on Ukraine had pushed up consumer prices in Germany in the last months.

While power prices have since fallen from their peaks, higher service costs and food prices were feeding into inflation. The ECB has raised interest rates to their highest level since May 2001 to bring down the red-hot inflation, though its president Christine Lagarde has indicated that the aggressive rate-hiking campaign could be paused.

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But the stubbornly high consumer prices in Europe's biggest economy, as well as trends elsewhere in the single-currency bloc could prove to be a conundrum for the central bankers at their next meeting in mid-September. Noting that the drop in Germany's inflation was "somewhat smaller than expected," LBBW bank analyst Jens-Oliver Niklasch said the "data suggests that we will be preoccupied with the problem of inflation for some time".

Separately on Wednesday, another major EU economy, Spain, said consumer prices showed an uptick again in August. Inflation in the southern European nation reached 2.6 percent for the month, slightly higher than the 2.3 percent recorded for July.

German consumers are heading into September feeling more pessimistic than a month earlier, a key survey showed Tuesday, as high food and energy prices and a struggling economy weigh on shoppers' minds. Pollster GfK said its forward-looking survey of around 2,000 people fell to minus 25.5 points for September, erasing the gains made last month when the index climbed slightly to minus 24.6 points.

Consumer confidence in Europe's biggest economy "shows no clear trend" at the moment but remains "at a very low level overall", GfK's consumer expert Rolf Buerkl said in a statement.

"The chances of a sustained recovery in consumer sentiment before the end of the year are dwindling," he added, blaming "persistently high inflation rates, especially for food and energy". The survey showed that income expectations had fallen as inflation eats away at households' purchasing power. Respondents also said they were less likely to make large purchases than the previous month. —AFP

Jordan's 24 MW solar power project ready for operation

AMMAN: Water Minister Mohammad Najjar announced the start of procedures to operate a 24-megawatt solar photovoltaic project in the Disi area through the Planning and Management Department's Energy Unit (EnU).

A ministry statement, cited by the Jordan News Agency, Petra, referred to the successful completion of the BE reverse electrification process, a joint effort between the ministry and the National Electric Power Company (NEPCO).

Comprehensive assessments are currently underway, led by the independent engineering firm TUV, which was endorsed by both the Water Authority of Jordan and NEPCO. The assessments aim to ascertain the project's readiness for commercial deployment. Najjar said that SEPCOIII Electric Power Construction Co, Ltd, a leading Chinese company, implemented the project's execution, while a consortium, including the Egyptian-based Fernas Shoman Company and the German consultancy, Ramboll Company provides supervision.

The minister stressed the project's exceptional nature, adding that this scheme represents a pioneering effort as the water sector's first solar energy venture of this size. Najjar also said that the project's initial operating year is expected to produce 79 GWh of energy, noting that this optimistic projection is attributed to the integration of cutting edge solar technology, which include bi-facial solar panels and single-axis-tracker systems, aimed to optimize peak solar hours.

Najjar expressed his appreciation to various stakeholders, mainly the European Union, the Ministry of Energy and Mineral Resources, the Energy and Mineral Regulatory Authority, and NEPCO, for their instrumental roles in the project. He revealed that the project is supported by a 30-million-euro grant from the European Union, managed through the European Bank for Reconstruction and Development (EBRD). A segment of this grant is allocated for an energy storage facility integrated into the national grid, alongside a supplementary 1-megawatt solar venture situated at the Zara Maen station, the minister said.

This scheme aligns with the goals delineated in the National Water Strategy 2023-2040, which targets a 10 per cent hike in renewable energy contributions by 2025, Najjar added. – Agencies