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BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Trade-facilitating measures cover $1.1 trillion of trade merchandise

The World Trade Organization (WTO) indicated that WTO members have put in place 627 new trade-related measures between mid-October 2023 and mid-October 2024, compared to 740 measures between mid-October 2022 and mid-October 2023. It added that 141 of these measures were trade-facilitating measures, while 91 were trade-restrictive measures on goods. It noted that countries imposed on average of 7.6 trade-restrictive measures per month between mid-October 2023 and mid-October 2024. The distribution of new trade-restrictive measures shows that import-related restrictions represented 74.7% of the total, while export-related restrictions accounted for the remaining 24.2% during the covered period. Also, WTO members introduced on average 11.8 new trade-facilitating measures per month between mid-October 2023 and mid-October 2024. Import-related measures accounted for 80% of trade-facilitating procedures, while export-related measures represented the remaining 20% in the covered period. It pointed out that trade-facilitating measures covered an estimated $1.07 trillion of global trade, while trade-restrictive measures covered an estimated $829bn of trade merchandise between mid-October 2023 and mid-October 2024. It added that trade remedy actions accounted for 63% of all trade measures on goods recorded between mid-October 2023 and mid-October 2024.

Source: World Trade Organization

AFRICA

Travel and tourism to contribute 7.3% of Africa's GDP in 2024

The World Travel & Tourism Council estimated that the travel and tourism sector in Africa contributed 6.8% of the region's GDP in 2023 compared to 7.2% of GDP in 2019. It said that the broad travel & tourism (T&T) sector generated $191.8bn in revenues in 2023 compared to $190bn in 2019. It noted that the T&T sector's contribution to GDP in Africa accounted for 2% of the contribution of the worldwide T&T industry to global GDP last year relative to 1.8% in 2019. It pointed out that the T&T industry in Africa employed 24.1 million persons in 2023, down by 6.6% from 25.8 million jobs in 2019. As such, the industry accounted for 5% of the region's total employment in 2023 compared to a share of 5.8% in 2019. In parallel, it estimated the aggregate international spending by visitors in Africa at $64.3bn in 2023 relative to $66bn in 2019. Also, spending by local visitors on T&T reached $94.8bn in 2023, up by 4.4% from $90.8bn in domestic spending in 2019. Leisure spending by visitors in Africa totaled $112.5bn, while business spending reached $46.6bn in 2023. In parallel, it projected the contribution of the T&T sector to the region's GDP at $208.7bn in 2024 and at $321.6bn in 2034, and to be equivalent to 7.3% of this year's GDP and 8.1% of GDP in 2034. It forecast that employment in the T&T sector at 26.45 million jobs in 2024, or 5.4% of total employment in the region this year, and at 38.76 million jobs or 6% of the region's total employment in 2034. It expected international spending by visitors in Africa at $71.5bn in 2024 and $114.3bn in 2034, and anticipated domestic spending at $101.3bn in 2024 and $142.2bn in 2034.

Source: World Travel & Tourism Council

MENA

Development of e-government services varies across Arab economies

The United Nations Department of Economic and Social Affairs ranked Saudi Arabia in sixth place among 193 countries globally and in first place among 19 Arab countries on its E-Government Development Index (EGDI) for 2024. The UAE followed in 11th place, then Bahrain (18th), Oman (41st) and Qatar (53rd), as the five countries with the most developed e-government services in the Arab world; while Syria (162nd), Mauritania (165th), Djibouti (174th), Sudan (178th), and Yemen (185th) have the least developed e-government services regionally. The index assesses a country's readiness, capacity and progress in using e-government for the provision of public services. The average score for Arab countries stood at 0.62 points relative to an average score of 0.56 points in the 2022 survey and 0.5 points in the 2014 index. The average score of Gulf Cooperation Council (GCC) countries was 0.88 points, while the average of non-GCC Arab countries stood at 0.49 points. Further, the rankings of 12 Arab countries improved and the position of seven economies deteriorated from the preceding survey; while the scores of 17 countries increased and those of two Arab economies decreased. The UAE ranked first on the Telecommunications Infrastructure and Human Capital Sub-Indices, while Saudi Arabia came first on the Online Services Sub-Index. Also, the survey classified six Arab countries in the "Very High EGDI" category, placed seven economies in the "High EGDI" segment, classified five countries in the "Middle EGDI" category, and placed one economy in the "Low EGDI" segment.

Source: United Nations, Byblos Research

Level of prosperity varies across Arab countries

The Atlantic Council, a research and advocacy organization, ranked the UAE in 39th place among 164 countries globally and in first place among 19 Arab countries on its Prosperity Index for 2024. Kuwait followed in 45th place, then Qatar (54th), Oman (63rd) and Jordan (67th), as the five countries with the highest level of prosperity in the Arab world; while Syria (109th), Mauritania (125th), Djibouti (143rd), Sudan (152nd), and Yemen (153rd) have the lowest level of prosperity regionally. The index captures the level of prosperity in a country based on its citizens' purchasing power and human capital, as well as the level of shared prosperity through measures of the quality of the environment, income inequality, and the well-being of minority groups. The average score for Arab countries stood at 62.2 points relative to an average score of 58 points in the 2023 survey. Also, the average score of Gulf Cooperation Council (GCC) countries was 72.3 points, while the average of non-GCC Arab countries stood at 57.6 points. Further, the rankings of 15 Arab countries improved, the position of three economies deteriorated, and the ranking of one country remained unchanged from the preceding survey; while the scores of 17 countries increased and those of two Arab economies decreased. The survey classified one Arab country in the "High Prosperity" category, placed eight economies in the "Moderate Prosperity" segment, classified six countries in the "Low Prosperity" category, and placed four economies in the "Lowes Prosperity" segment.

Source: Atlantic Council, Byblos Research

OUTLOOK

WORLD

Non-life insurance premiums to grow by a CAGR of 2.3% in 2025-26 period

Global reinsurer Swiss Re projected global non-life premiums to grow by 4.3% in real terms in 2024, and to post a compound annual growth rate of 2.3% during the 2025-26 period compared to a CAGR of 3.5% in the 2000-23 period. It attributed the slowdown in growth of non-life premiums to less favorable pricing conditions in advanced economies (AEs) in the coming two years. But it expected steady global economic growth, resilient labor markets, and rising real incomes as inflation moderates, to support the non-life segment worldwide in the next two years.

Also, it forecast non-life insurance premiums in emerging markets (EMs) to grow by 4.3% in real terms in 2024 and to post a CAGR of 4.1% in the 2025-26 period compared to a CAGR of 3.7% in EMs in the 2000-23 period, supported mainly by a CAGR of 7.4% of non-life premiums in Emerging Asia in the next two years. It also forecast non-life premiums in AEs to expand by 4.3% in real terms this year and to post a CAGR of 1.9% in the 2025-26 period, relative to a CAGR of 3% in the 2000-23 period. It expected the growth in non-life premiums in AEs to be driven by the Asia-Pacific region that will post a CAGR of 3% in the 2025-26 period, followed by North America (+1.9%), and Western Europe (+1.8%).

Further, it projected global motor premiums to grow by 6.9% in 2024, followed by the property & casualty (P&C) and property insurance segments with 4.7% each, then health premiums with 4.1%, and liability premiums with 2.8%. Also, it forecast liability and health premiums to post a CAGR of 2.5% each in the 2025-26 period, followed by P&C premiums with a CAGR of 2%, motor premiums (+1.9%), and property premiums (+1.5%).
Source: Swiss Re

EMERGING MARKETS

Prospects of tariff hikes raise economic outlook uncertainties

Goldman Sachs reduced its real GDP growth forecast for the Central & Eastern Europe, the Middle East and Africa region (CEEMEA) to 1.8% in 2024 from 2.4% previously, and to 2.7% in 2025 from 3.7% earlier. It attributed its downward revision for 2025 to the weakness in sequential activity and to the expected increase in U.S. average tariffs. It said the decline in sequential activity has been driven by weaker growth in Türkiye and Russia that tightened their monetary policy to combat high inflation rates. But it indicated that the most important factor facing the CEEMEA economies is the prospect of a potential increase in average tariff rates by the new U.S. Administration and the uncertainties that it would create. It considered that the prospect of selective U.S. tariff increases, the likelihood of retaliatory action, and the risk of broader tariff increases have raised economic uncertainties for emerging markets (EMs). It noted that higher average tariff rates are likely to affect global growth in general as well as EM growth and EM assets in particular, but it noted that export-oriented economies in EMs will be the most severely affected by this decision.

It assigned a 40% probability that the incoming U.S. Administration will impose a 10% to 20% across-the-board tariff as proposed by President Donald Trump, but it noted that even if the measures implemented ultimately remain more selective than currently proposed, the risk of broader tariff increases is likely to weigh on economic activity. In its central scenario, it expected the incoming U.S. Administration to impose tariffs on imports from China that average an additional 20 percentage points (pps), and to increase the effective tariff rate on the imports of European automobiles by 22.5 pps, which would likely prompt retaliatory actions.

Further, it considered that a rise in tariffs will impact inflation, monetary policy, and exchange rates in EMs. As such, it revised upwards its inflation rate for the CEEMA region to 10.3% in 2025 from an earlier forecast of 10.1% for the year. It noted that the implications of higher tariffs for monetary policy will depend on the offsetting effects of weak growth and potential currency weakness.
Source: Goldman Sachs

GCC

Economy activity to accelerate in 2025, risks to the outlook contained

The Institute of International Finance (IIF) projected the real GDP growth rate of Gulf Cooperation Council countries (GCC) to rebound from 0.9% in 2024 to 4.4% in 2025, with real non-hydrocarbon GDP growth improving from 3.8% in 2024 to 4% in 2025 and real oil GDP shifting from a contraction of 2.5% in 2024 to a growth rate of 5.6% in 2025. It attributed the improvement in economic activity next year to strong private consumption and public investments, as well as to the gradual unwinding of the oil production cuts of the past two years.

Also, it forecast the consolidated fiscal balance in the GCC to post a slight surplus of 0.1% of GDP in each of 2024 and 2025 as fiscal surpluses in the UAE, Qatar, and Oman remain sizeable. It said that fiscal strains could emerge in Bahrain, Oman and Saudi Arabia in the medium term if oil prices decline well below $70 per barrel (p/b) for a sustained period of time, but added that low public debt ratios and large financial buffers will cushion the fallout in Saudi Arabia and Oman. It projected the public debt level at 23.1% of GDP in 2024 and at 24.3% of GDP in 2025. Further, it expected the region's aggregate current account surplus to decline from 4.4% of GDP in 2024 to 1.8% of GDP in 2025 amid falling oil revenues and large investment-related imports. But it assumed in its baseline scenario that oil exports from the region will not face disruptions, and for average oil prices to decline from $80 p/b in 2024 to $70 p/b in 2025. It added that the net public foreign assets could reach $4 trillion by the end of 2025, equivalent to 150% of the GCC economies' aggregate GDP, with nearly two-thirds of these assets managed by sovereign wealth funds, and the other third consisting of official foreign currency reserves invested in liquid assets.

In parallel, the IIF considered that risks to the GCC's economic outlook are well contained, as regional conflicts and rising geopolitical risks, despite their proximity, are unlikely to adversely affect the GCC's economic performance. It added that fiscal strains could emerge in the medium term if oil prices decline to less than $70 p/b and if government spending continue to grow. But it noted that the foreign ample reserves would cushion any fallout.
Source: Institute of International Finance

ECONOMY & TRADE

SAUDI ARABIA

Insurers' profits up 33% in first nine months of 2024

Regional investment bank EFG Hermes indicated that the aggregate earnings of the six listed insurers in Saudi Arabia that it covers reached SAR35.3bn, or the equivalent of $9.4bn, in the first nine months of 2024, constituting a rise of 33% from SAR26.5bn ($7.1bn) in the same period last year. It attributed the rise in the insurers' profits mainly to a surge of 77% in investment income. It noted that solid investment growth, sustained elevated returns on deposits, and higher allocation to fixed income instruments led to the surge in aggregate investment income in the covered period. Also, it pointed out that the aggregate gross written premiums (GWP) of the covered insurers decreased by 9% in the first nine months of 2024 from the same period of 2023. It added that the GWP of the medical and of the property & casualty segments increased by 11% and 16%, respectively, in the covered period, while the GWP of the motor segment regressed by 6% year-on-year due to the rise in claims and to intense pricing competition in the third quarter of 2024. It noted that the net combined ratio, which is the ratio of incurred losses and expenses to earned premiums, exceeded 95% for all insurers in the Kingdom in the first nine months of 2024, due to the high double-digit increase in expenses. Also, it stated that the GWP of the life insurance category jumped by 497% in the first nine months of 2024 from a very low base in the same period last year. In addition, it said that the GWP generated from small companies in the Kingdom surged by 73% annually in the first nine months of 2024, followed by retailers (+52%), micro corporates (+50%), medium-sized companies (+18%), and large firms (+7%).

Source: EFG Hermes

OMAN

Economic outlook remains favorable

The International Monetary Fund (IMF) projected Oman's real GDP growth at 1.2% in 2024 and to accelerate in 2025, supported by higher oil production, as well as by stronger non-hydrocarbon sector growth. Also, it forecast the inflation rate at 0.6% in 2024 relative to 0.9% in 2023. It considered that Oman's economic outlook is favorable, but considered that it is subject to elevated uncertainties from the volatility of oil prices, the global economic slowdown, and intensifying geopolitical tensions. It also anticipated the fiscal and current account surpluses to decline in the medium term. It expected the non-hydrocarbon primary deficit to remain unchanged at 29% of non-oil GDP in 2024, despite higher energy subsidies and additional transfers under the new social protection law. In parallel, It urged the authorities to focus on increasing non-hydrocarbon revenues, including through the planned tax reforms and policy measures, and phasing out untargeted energy subsidies. Further, it welcomed the authorities' progress on the implementation of the Oman Vision 2040, as the new social protection law has been successfully rolled out, while labor market reforms are ongoing. It encouraged the implementation of reforms to promote inclusive growth and improve the business environment, including from the reforms to state-owned enterprises. In parallel, it said that the exchange rate peg remains a credible policy anchor, and that the reforms to enhance the monetary policy framework are underway.

Source: International Monetary Fund

ALGERIA

Real non-oil GDP growth rate to average 3.6% in 2024-25 period

The International Monetary Fund (IMF) projected Algeria's real GDP growth rate at 3.8% in 2024 and 3% in 2025. It expected Algeria's real non-hydrocarbon GDP growth at 4% in 2024 and at 3.2% in 2025, and real hydrocarbon GDP growth at 2.7% in 2024 and 1.5% in 2025. Also, it anticipated the inflation rate to regress from 9.3% in 2023 to 5.3% in 2024 and to 5.2% in 2025. It attributed the decline in inflation to a strong dinar and a decrease in fresh food and import prices. In parallel, it projected the fiscal deficit to widen from 5.2% of GDP in 2023 to 9.3% of GDP in 2024 and 8.6% of GDP in 2025, due to lower revenues and increased government expenditures and transfers. It projected the fiscal breakeven oil price at $131.9 per barrel (p/b) in 2024 and at $119 (p/b) in 2025, and expected oil exports at 0.4 million barrel per day (b/d) in each of 2024 and 2025 and gas exports at 1.2 million (b/d) in each of 2024 and 2025. Also, it anticipated the public debt level, at 45.7% of GDP at the end of 2024 and at 50.4% of GDP at end-2025. In parallel, the IMF forecast Algeria's exports of goods & services to decrease from $61.1bn in 2024 to $60.3bn in 2025, and expected the country's imports of goods & services to rise from $56.7bn in 2024 to $61.4bn in 2025. As such, it projected the current account balance to shift from a surplus of 3.3% of GDP in 2024 to a deficit of 2.1% of GDP in 2025. Further, it forecast the country's gross foreign currency reserves to reach $69.5bn, or 13.6 months of import coverage at end-2024, and $69bn or 12.8 months of imports at end-2025.

Source: International Monetary Fund

BANGLADESH

Sovereign ratings downgraded on rising liquidity risks

Moody's Ratings downgraded Bangladesh's long-term issuer and senior unsecured ratings from 'B1' to 'B2', which is five notches below investment grade, and revised the outlook on the long-term ratings from 'stable' to 'negative'. It also downgraded the local and foreign currency country ceilings from 'Ba2/B1' to 'Ba3/B2'. It attributed the downgrades to the rise in political risks and to slower economic growth, which have increased government liquidity risks, banking sector risks, and external vulnerabilities. It said that the government has increasingly relied on short-term borrowing through Treasury bills, which will account for more than 40% of its total gross financing needs for the fiscal year that ends in June 2025, up from 20% in FY2022/23, and led to a higher cost of debt and weaker debt affordability in light of the low level of fiscal revenues. It said that the inflation rate will remain high, prompting Bangladesh Bank to maintain a tight monetary policy. It added that the 'negative' outlook reflects downside risks to Bangladesh's growth outlook beyond the agency's expectations, which could strain the country's weak fiscal position and exacerbate external vulnerabilities. In parallel, it noted that it could revise the outlook to 'stable' if confidence in the economy improves, which would support the country's external position and government liquidity, and/or if the authorities successfully implement reforms. In contrast, it said that it could downgrade the ratings if the fiscal and external metrics worsen and government liquidity risks rise, along with a decline in foreign curency reserves.

Source: Moody's Ratings

WORLD

Resolution planning and execution to extend to systemically significant or critical banks

The Financial Stability Board (FSB) indicated that existing FSB guidance on resolution planning and execution is not only relevant to global systematically important banks, but that it is also appropriate for other banks that are systemically significant or critical if they fail. First, it considered that the authorities should assess which banks may be systemically significant or critical if they fail, as the regulator must ensure that it has sufficient information to make this assessment in normal times and during a crisis, including for banks that were not explicitly designated as systemically significant or critical prior to their failure. Second, it said that the authorities should have the appropriate resources, tools, and powers to resolve, if needed, banks that are systemically significant or critical when they fail. It added that the authorities' preparedness should include having an up-to-date assessment of the options available to implement the resolution, and making sure that such options can be carried out quickly and effectively. Also, it noted that such banks should ensure that they are resolvable in a way that protects their critical functions without severe systemic disruption and without the use of taxpayers' money. Third, it stated that the authorities should consider the need for loss-absorbing capacity (LAC) on the balance sheet of a systemically significant or critical bank, as this will support their ability to resolve the bank without severe systemic disruptions and without the use of taxpayers' money. It added that LAC provides an additional layer of loss-absorption that may prevent uninsured depositors from taking losses, which, in turn, may prevent or reduce deposit runs.

Source: Financial Stability Board

GCC

Strong financial metrics support outlook on banks

S&P Global Ratings indicated that banks in the Gulf Cooperation Council (GCC) countries are profitable, benefit from strong asset quality and robust capitalization, and have sufficient liquidity on their balance sheets, and expected this trend to continue in 2025 despite lower interest rates. It said that the aggregate non-performing loans (NPLs) ratio of the top 45 banks in GCC countries is at 3% to 4% despite the previous shock from the COVID-19, and expected the banks' asset quality to be stable in the near term. It said that the NPLs' coverage ratio of the 45 banks rose from about 147% at end-2019 to 156% in 2024. Further, it anticipated that the U.S. Federal Reserve will reduce its policy rates by 225 basis points (bps) by the end of 2025, which will affect negatively the banks' profitability. It noted that the cost of risk at some banks is increasing given that they are using their excess profitability to prepare for potential shocks or to cover for risks related to exposures in non-GCC countries. In parallel, it pointed out that the capitalization of the top 45 GCC banks will continue to support their creditworthiness. It said that dividend payouts that are below 50% and strong profitability contributed to stable capitalization levels. In addition, it said that GCC banks are mainly funded by domestic deposits, which have been stable through periods of stress. Further, it noted that banks are resilient to external and domestic private sector deposit outflows, given that they have an extra $264bn in liquid assets that they can deploy.

Source: S&P Global Ratings

EGYPT

Banks supported by improving operating conditions

Fitch Ratings indicated that the rated Egyptian banks are supported by their better operating conditions, as foreign-currency liquidity conditions in the country improved significantly this year compared to 2023, driven by the increase in confidence, higher remittance inflows and elevated foreign direct investments. It indicated that the banking sector's net foreign liability position declined from $17.6bn at end-January 2024 to $130m at end-September 2024 due to strong capital and remittance inflows. As such, it expected the banking sector to report a slight net positive foreign assets position in each of 2025 and 2026, supported by positive net inflows from foreign portfolio investors, a narrower current account deficit, as well as higher financing from international financial institutions on the back of a more flexible exchange rate regime. In addition, it forecast the banks' profitability to improve sharply in 2024, supported by higher yields on sovereign securities, revaluation gains and stronger client activity, and expected the profitability ratios to start normalizing towards historical averages in 2025 as a result of reduced interest rates. However, it anticipated profitability metrics to remain strong in the near term, as it expected interest rates to stay elevated and for the cost of risk to decline as macroeconomic conditions improve. It expected the sector's Common Equity Tier One ratio to exceed 13% by end-2024 due to healthy internal capital generation.

Source: Fitch Ratings

TÜRKIYE

Banks' prospects improve on receding economic and financial risks

Fitch Ratings indicated that Turkish banks are facing improved prospects following the recent sovereign rating upgrade. It said that the receding near-term macroeconomic and financial stability risks are reducing financing pressures and renewing investor confidence, which is supporting the Turkish banking sector. It noted that refinancing risks for Turkish banks have diminished due to a more conventional macroeconomic policy mix amid increased access to external markets and a rise in debt issuance. However, it pointed out that banks remain exposed to investor sentiment and significant external foreign-currency wholesale funding. Also, it indicated that the dollarization rate of deposits declined, driven by the gradual decrease in the share of foreign currency-protected deposits. Further, it anticipated tighter monetary policy to exert modest pressure on the banks' asset quality, with a moderate increase in the sector's impaired loans ratio. But it expected the overall deterioration of asset quality to be manageable relative to the banks' profitability and provisioning buffers. In addition, it said that the banks' higher funding costs, regulatory ceilings on lending, and relatively lower inflation-linked securities income are putting pressure on the banks' net interest margins. It forecast the banks' profitability levels in the near term to remain reasonable but weaker than in 2023. In parallel, it noted that Turkish banks are adequately capitalized, supported by provisioning buffers and pre-impairment profits. But it said that the banks' capitalization remains sensitive to macroeconomic risks and the depreciation of the lira.

Source: Fitch Ratings

Oil prices to average $77 p/b in fourth quarter 2024

ICE Brent crude oil front-month prices reached $71 per barrel (p/b) on November 15, 2024, their lowest level since $70.6 p/b on September 11, 2024, as global oversupply concerns and demand worries amid a stronger US dollar offset the steep decline in U.S. petroleum stocks. However, oil prices reached $72.8 p/b on November 20, 2024, constituting an increase of 2.5% from $71 p/b on November 15, 2024, driven by the escalation of the war between Russia and Ukraine and by a halt in production at Norway's Johan Sverdrup oil field due to a power outage. In parallel, the International Energy Agency forecast oil output from non-OPEC+ producers to increase by 1.5 million barrels per day (b/d) in each of 2024 and 2025, driven by higher supply from the U.S., Brazil, Canada, Guyana and Argentina. It anticipated total supply from the five American producers to more than cover the expected increase in demand in each of 2024 and 2025. Also, it projected global oil demand to grow by 920,000 b/d to 102.8 million b/d in 2024 as well as by 1 million b/d to 103.8 million b/d in 2025, compared to growth close to 2 million b/d in 2023. In addition, it expected that global supply will exceed demand by more than 1 million b/d next year, even if the production cuts by the OPEC+ coalition remain in place. It considered that the oversupply of oil would provide some much-needed stability to the global oil market in the near term. Further, Refinitiv projected oil prices, through its latest crude oil price poll of 40 industry analysts, to average $77 p/b in the fourth quarter of 2024.

Source: International Energy Agency, Refinitiv, Byblos Research

OPEC oil output up 2% in October 2024

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 26.5 million barrels of oil per day (b/d) in October 2024, constituting an increase of 2% from 26 million b/d in September 2024. On a country basis, Saudi Arabia produced 9 million b/d, or 33.8% of OPEC's total output, followed by Iraq with 4 million b/d (15.3%), Iran with 3.3 million b/d (12.3%), the UAE with 3 million b/d (11.1%), and Kuwait with 2.4 million b/d (9.1%).

Source: OPEC

Middle East demand for gold down 11% in first nine months of 2024

Consumer demand for gold in the Middle East, which includes demand for jewelry and for bars and coins, totaled 195.7 tons in the first nine months of 2024, and decreased by 11% from 220.1 tons in the first nine months of 2023. Gold demand in the region accounted for 9.6% of the global consumption of the precious metal in the first nine months of 2024. Also, consumer demand for gold in Iran reached 50 tons and represented 25.5% of the region's aggregate demand in the covered period, followed by Egypt with 38 tons (19.4%), Saudi Arabia with 36.3 tons (18.6%), the UAE with 35.7 tons (18.3%), and Kuwait with 13.2 tons (6.8%).

Source: World Gold Council, Byblos Research

MENA's natural gas exports unchanged in 2024

The International Monetary Fund projected natural gas exports from the Middle East & North Africa region to average 4.6 million barrels of oil equivalent per day (boe/d) in 2024, unchanged from 2023. Further, it forecast Qatar's natural gas exports at 2.1 million boe/d in 2024, equivalent to 45.7% of the region's gas exports, followed by Algeria with 1.2 million boe/d (26.1%), the UAE with 0.6 million boe/d (13%), Iran with 0.4 million boe/d (8.7%), Oman with 0.3 million boe/d (6.5%), and Libya with 0.1 million boe/d (2.2%).

Source: International Monetary Fund, Byblos Research

Base Metals: Zinc prices to average $3,014 per ton in fourth quarter of 2024

The LME cash prices of zinc averaged $2,746.7 per ton in the year-to-November 20, 2024 period, constituting an increase of 3% from an average of $2,667.3 a ton in the same period of 2023, due to the rise in industrial demand, particularly from the green energy and battery technology sectors. Also, zinc prices reached $3,202.3 per ton on October 23, 2024, their highest level since February 3, 2023 when they reached $3,269.5 a ton, due to growing supply concerns in global markets and rising industrial demand worldwide. In parallel, S&P Global Market Intelligence projected the global supply of refined zinc at 13.86 million tons in 2024, which would constitute an increase of 1.1% from 13.7 million tons in 2023, with mine output representing 91.4% of the total. Also, it forecast the global demand for refined zinc at 13.82 million tons in 2024, which would represent a rise of 2.4% from 13.5 million tons in 2023. As such, it anticipated the surplus in the zinc market to decrease from 216,000 tons in 2023 to 45,000 tons in 2024. In addition, it expected the production of refined zinc to face uncertainties in case smelters reduce their output, but considered that the potential decline in production will be offset by a significant increase in mine supply in the near term. Further, it forecast zinc prices to average $3,014 per ton in the fourth quarter and $2,799 a ton in full year 2024.

Source: S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $2,613 per ounce in fourth quarter of 2024

Gold prices averaged $2,356 per ounce in the year-to-November 20, 2024 period, constituting an increase of 22% from an average of $1,932.2 an ounce in the same period last year, due mainly to strong demand for gold by emerging market central banks and individual investors, interest rate cuts, and the increase in geopolitical risks in the Middle East and in Europe, which reinforced the appeal of the metal as a safe haven for investors. Further, the metal's price dropped from an all-time of high $2,784.4 per ounce on October 30, 2024 to $2,625.2 per ounce on November 19, 2024, driven by the increase in U.S. Treasury yields. In parallel, S&P Global Market Intelligence expected global gold mine supply to increase from 101.1 million ounces in 2023 to 103.5 million ounces in 2024 and 107.2 million ounces in 2025 amid higher demand. Further, it expected that the still-elevated geopolitical risks amid the wars in Ukraine and the Middle East, as well as the potential for the increase in tensions between the U.S. and China, to keep gold prices above $2,600 per ounce in the fourth quarter of 2024, despite a stronger US dollar in case the incoming U.S. Administration raises tariffs on imported goods and cuts corporate tax rates, which will increase the appeal of equities to investors. However, it anticipated the strengthening of the US dollar to likely put some downward pressure on gold prices in the near term. In addition, it projected gold prices to average $2,613 per ounce in the fourth quarter of 2024, with a low of $2,350 an ounce and a high of $2,700 per ounce in the covered period, and to average $2,324 per ounce in full year 2024.

Source: S&P Global Market Intelligence, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating: S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	- -	- -	- -	- -	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Positive	B- Stable	- -	-1.0	82.4	4.6	53.3	26.9	108.2	2.5	-4.3
Egypt	B- Positive	Caa1 Positive	B Stable	B Stable	-7.2	86.6	2.8	85.1	58.8	158.1	-3.6	13.4
Ethiopia	CCC+ Stable	Caa3 Stable	CCC- -	-	-2.9	26.2	0.5	33.4	7.8	157.9	-3.4	2.0
Ghana	SD -	Ca positive	RD -	- -	-4.8	78.1	1.1	41.1	22.7	127.6	0.9	2.0
Côte d'Ivoire	BB Stable	Ba2 Stable	BB- Stable	- -	-4.5	57.7	4.7	47.6	15.7	112.3	-4.4	2.3
Libya	- -	- -	- -	- -	-	-	-	-	-	-	-	-
Dem Rep Congo	B- Stable	B3 Stable	- -	- -	-2.5	15.0	1.4	5.1	2.0	102.1	-5.6	4.2
Morocco	BB+ Positive	Ba1 Stable	BB+ Stable	- -	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B- Stable	Caa1 Positive	B- Positive	- -	-4.4	47.4	2.9	41.7	23.3	113.6	0.5	0.1
Sudan	- -	- -	- -	- -	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	- -	Caa2 Negative	CCC+ -	- -	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+ Stable	- -	- -	- -	-5.5	61.8	0.5	64.8	12.3	168.7	-3.6	0.5
Rwanda	B+ Stable	B2 Stable	B+ Stable	- -	-4.8	68.0	3.6	22.5	9.6	111.1	-10.6	3.5
Middle East												
Bahrain	B+ Stable	B2 Stable	B+ Stable	B+ Stable	-4.0	120.8	-4.1	148.5	26.5	363.8	3.7	1.0
Iran	- -	- -	- -	- -	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B- Stable	Caa1 Stable	B- Stable	- -	-4.5	38.3	20.3	4.0	2.0	33.0	11.5	-1.8
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.1	90.6	1.9	69.7	10.9	151.6	-4.6	1.8
Kuwait	A+ Stable	A1 Stable	AA- Stable	AA- Stable	-2.1	4.7	2.8	41.3	0.4	97.3	19.4	-3.0
Lebanon	SD -	C -	RD** -	- -	-0.2	270.6	9.0	165.9	6.5	151.4	-9.5	0.5
Oman	BBB- Stable	Ba1 Positive	BB+ Stable	BB+ Stable	1.4	34.5	1.8	31.4	8.2	113.0	1.3	2.5
Qatar	AA Stable	Aa2 Stable	AA- Positive	AA Stable	4.2	41.7	2.4	125.2	4.2	174.5	15.8	-2.4
Saudi Arabia	A Positive	A1 Positive	A+ Stable	A+ Positive	-2.0	23.0	10.2	23.8	3.4	66.1	1.4	0.1
Syria	- -	- -	- -	- -	-	49.0	-	-	-	-	-15.5	-
UAE	- -	Aa2 Stable	AA- Stable	AA- Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	- -	- -	- -	- -	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Asia												
Armenia	BB- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.3	46.5	2.0	29.8	9.8	114.6	-3.0	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	66.1	10.6	25.8	5.9	64.5	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-8.0	86.0	6.6	27.5	28.9	87.2	-3.1	1.5
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-2.7	26.1	4.0	26.6	7.9	99.2	-2.8	2.2
Pakistan	CCC+ Stable	Caa2 Positive	CCC+ -	- -	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-2.8	23.8	1.7	19.9	1.7	105.0	-0.2	1.8
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-5.9	49.0	4.3	25.4	6.4	99.6	-6.9	2.0
Russia	- -	- -	- -	- -	-0.8	19.8	11.6	23.0	3.6	61.1	2.0	-0.6
Türkiye	BB- Stable	B1 Positive	BB- Stable	B+ Stable	-3.6	29.1	1.2	77.3	9.5	166.0	-2.4	1.2
Ukraine	CC Negative	Ca Stable	CC -	- -	-17.0	95.0	4.6	38.1	10.2	105.8	-6.6	1.4

** Current account payments*

***Fitch withdrew the ratings of Lebanon on July 23, 2024*

Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2024

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	4.75	07-Nov-24	Cut 25bps	18-Dec-24
Eurozone	Refi Rate	3.40	17-Oct-24	Cut 25bps	N/A
UK	Bank Rate	4.75	07-Nov-24	Cut 25bps	19-Dec-24
Japan	O/N Call Rate	0.25	31-Oct-24	No change	19-Dec-24
Australia	Cash Rate	4.35	05-Nov-24	No change	10-Dec-24
New Zealand	Cash Rate	4.75	09-Oct-24	Cut 50bps	27-Nov-24
Switzerland	SNB Policy Rate	1.00	26-Sep-24	Cut 25bps	12-Dec-24
Canada	Overnight rate	3.75	23-Oct-24	Cut 50bps	11-Dec-24
Emerging Markets					
China	One-year Loan Prime Rate	3.1	21-Oct-24	Cut 25bps	20-Nov-24
Hong Kong	Base Rate	5.00	08-Nov-24	Cut 25pbs	N/A
Taiwan	Discount Rate	2.00	19-Sep-24	No change	12-Dec-24
South Korea	Base Rate	3.25	11-Oct-24	Cut 25bps	28-Nov-24
Malaysia	O/N Policy Rate	3.00	06-Nov-24	No change	N/A
Thailand	1D Repo	2.25	16-Oct-24	Cut 25bps	18-Dec-24
India	Repo Rate	6.50	09-Oct-24	No change	16-Dec-24
UAE	Base Rate	4.65	07-Nov-24	Cut 25bps	N/A
Saudi Arabia	Repo Rate	5.25	07-Nov-24	Cut 25bps	N/A
Egypt	Overnight Deposit	27.25	17-Oct-24	No change	21-Nov-24
Jordan	CBJ Main Rate	6.75	10-Nov-23	Cut 25bps	N/A
Türkiye	Repo Rate	50.00	17-Oct-24	No change	21-Nov-24
South Africa	Repo Rate	8.00	19-Sep-24	Cut 25bps	21-Nov-24
Kenya	Central Bank Rate	12.00	08-Oct-24	Cut 75bps	05-Dec-24
Nigeria	Monetary Policy Rate	27.25	24-Sep-24	Raised 50bps	26-Nov-24
Ghana	Prime Rate	27.00	27-Sep-24	Cut 200bps	25-Nov-24
Angola	Base Rate	19.50	19-Nov-24	No change	N/A
Mexico	Target Rate	10.25	14-Nov-24	Cut 25bps	19-Dec-24
Brazil	Selic Rate	11.25	06-Nov-24	Raised 50bps	N/A
Armenia	Refi Rate	7.25	29-Oct-24	Cut 25bps	10-Dec-24
Romania	Policy Rate	6.50	08-Nov-24	No change	N/A
Bulgaria	Base Interest	3.22	01-Nov-24	Cut 11bps	02-Dec-24
Kazakhstan	Repo Rate	14.25	11-Oct-24	Cut 25bps	29-Nov-24
Ukraine	Discount Rate	13.00	31-Oct-24	No change	12-Dec-24
Russia	Refi Rate	21.00	25-Oct-24	Raised 200bps	20-Dec-24

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293