



بنك الإمارات دبي الوطني
Emirates NBD

Quarterly

17 April 2018

Khatija Haque
Head of MENA Research
+971 4 230 7803
khatijah@emiratesnbd.com

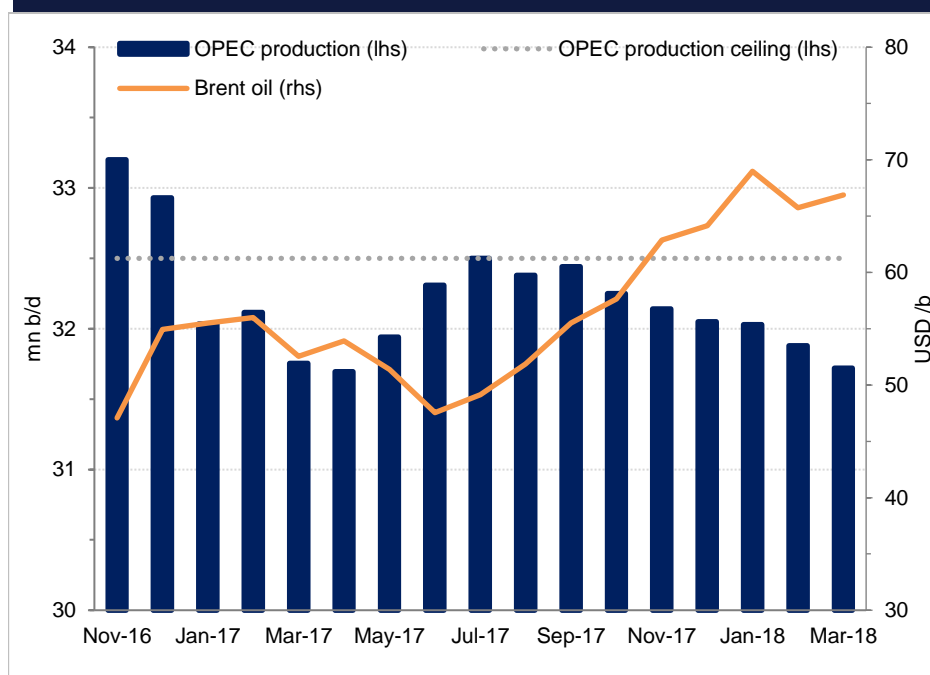
Daniel Richards
MENA Economist
+971 4 609 3032
danielricha@emiratesnbd.com

Edward Bell
Commodity Analyst
+971 4 230 7701
edwardpb@emiratesnbd.com

MENA Quarterly

- Oil prices have rallied to their highest level since the end of 2014 as OPEC continues to display strong compliance with its production cut. Risk factors in the oil market point to potentially more upside ahead thanks to unplanned outages in Venezuela, the risk of sanctions on major producers and the US disappointing bullish growth expectations.
- If sustained into H2, the high GCC compliance with OPEC targets poses a downside risk to our 2018 GDP growth forecasts. Non-oil sector data in the GCC in the first quarter has also been underwhelming, particularly in Saudi Arabia where the PMI fell to the lowest level in the series history. This was especially surprising given an expansionary 2018 budget and higher oil prices.
- Higher than forecast oil prices year-to-date would have provided a welcome boost to GCC budgets, but this did not deter sovereigns from raising about USD 40bn in external debt since January.
- Political risk threatens to derail growth in a number of MENA countries in 2018. Widespread protests in Tunisia have hampered industrial production, the prospects for peace in Libya remain distant, and there is a growing likelihood that some, if not all, US sanctions against Iran will be re-imposed.
- Egypt continues to recover, with Q2 2017/18 growth of 5.3% y/y the highest since 2010. The outlook for the coming year is positive, as the re-election of President Abdel Fattah el-Sisi in March spells policy continuity and continued progress on its reform programme.

OPEC maintains a high level of compliance



Source: Bloomberg, Emirates NBD Research

Contents

Overview	Page 3
Oil market outlook	Page 4
Algeria	Page 6
Bahrain	Page 7
Egypt	Page 8
Iran	Page 9
Iraq	Page 10
Jordan	Page 11
Kuwait	Page 12
Lebanon	Page 13
Libya	Page 14
Morocco	Page 15
Oman	Page 16
Qatar	Page 17
Saudi Arabia	Page 18
Tunisia	Page 19
UAE	Page 20
UAE - Dubai	Page 21
Key Economic Forecasts	Page 22

Overview

Downside risks to GCC growth estimates

As we take stock at the end of the first quarter, the economic data has been a little underwhelming in most of the MENA region. For GCC oil exporters this is somewhat unusual in the context of higher oil prices and increased government spending, which would typically boost non-oil sector activity and sentiment.

While the PMI surveys for the UAE are in the mid-50s, consistent with solid non-oil growth, they have not signalled faster growth relative to Q1 2017, and other indicators such as private sector credit growth remain a little soft.

the sharp rise in the stock of sovereign debt in an environment of rising interest rates poses medium term risks if the underlying fiscal dynamics (expenditure reform) are not addressed in the interim.

Political risk hampers MENA region

Aside from Egypt, which continues to progress assuredly on its economic reform programme with improvements in a host of indicators, the rest of the North Africa and Levant region has also underwhelmed over the start of the year. In common with the GCC, oil exporters such as Algeria and Iran have maintained their oil production curbs in line with the OPEC agreement, which will constrain any growth in the oil sector. However, there are also other pertinent issues affecting the MENA countries, including political risk.

In Tunisia, the government continues to grapple with protests over a dearth of youth opportunities, which have constrained industrial production over the start of the year, exacerbating a problematic dwindling of reserves and making a currency devaluation increasingly likely. This would in turn lead to higher inflation and a risk of even more widespread protest. In neighbouring Libya, the country remains divided, and with rumours circulating in April that Field Marshal Khalifa Haftar, leader of the eastern government, is either seriously ill or even dead, the prospects for a peaceful conflict resolution appear even dimmer. Iran, meanwhile, has faced both internal and external challenges so far in 2018. The country saw protests over austerity measures earlier in the year, and the risk of the US looking to renew some if not all of its sanctions against it has risen with the more hawkish turn of the US presidential administration.

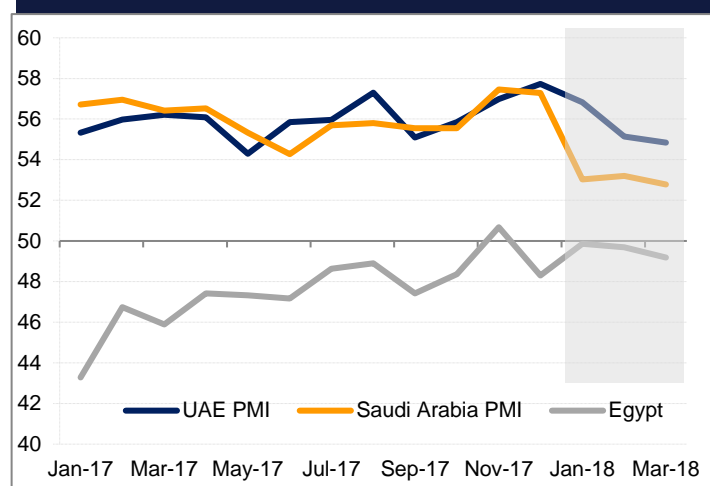
There are some successes on the political front; elections due in Lebanon and Iraq are expected to pass peacefully and ensure some policy continuity. However, both these countries face their own challenges, with huge levels of investment needed to rebuild damaged infrastructure. Pledges to help Iraq rebuild following its defeat of IS disappointed in February, while the reforms Lebanon needs to carry out in order to ensure continued donor support will become increasingly difficult given its fragmented political system.

Egypt the outperformer

In contrast to much of the rest of the region, the Egyptian economy continues to recover. Real GDP growth has strengthened over the past six consecutive quarters, climbing to 5.3% y/y in Q2 2018/19, and we expect that the expansion will remain robust, forecasting 5.2% this year, and 5.5% in 2018/19. The re-election of President Abdel Fattah el-Sisi in March will be seen as a mandate for continued economic reform, meaning that the authorities will continue to work towards improving the country's fundamentals, as well as maintaining growth levels. With tourist numbers set to rise, monetary policy easing, and inflation falling, the outlook for Egypt over the coming quarters is strong.

Khatija Haque, Head of MENA Research
Daniel Richards, MENA Economist

Regional PMIs soften in Q1 2018



Source: IHS Markit, Emirates NBD Research

In Saudi Arabia, the PMI in Q1 2018 was the weakest in the survey history and signalled a sharp slowdown in non-oil growth relative to the previous quarter as well as year-on-year. Given the significant increase in government spending announced for 2018, including public sector bonuses and allowances to mitigate the impact of subsidy cuts and VAT, as well as higher oil prices, the weakness in the non-oil sector in the Kingdom is particularly surprising in our view. We suspect that the consequences of the anti-corruption drive in November last year likely weighed on business activity in the first quarter of this year. However, it remains to be seen whether this will remain a headwind to growth over the rest of this year.

Higher oil prices year-to-date have certainly improved the fiscal and current account dynamics for GCC oil exporters. We had expected higher oil prices to be accompanied by slightly higher oil output following the aggressive cuts of last year. At the end of the first quarter however, compliance with OPEC production quotas remains unexpectedly high and if this is sustained beyond Q2, it poses a significant downside risk to our GDP growth forecasts for 2018.

GCC sovereigns have also taken advantage of higher oil prices to raise about USD 40bn in external debt since the start of this year (including USD 6bn in syndicated loans by Saudi Arabia). While financing their budget deficits is unlikely to be a problem this year,

Oil market outlook

The balance of risks in oil markets is increasingly weighted to the upside as a confluence of fundamental and policy factors have added upward momentum to prices. In mid-April, Brent futures were above USD 70/b, their highest level since the end of 2014, and were more than 25% higher than they were at the same time in April 2017. Over the remainder of 2018 we see several major risks ahead that could keep oil prices in this elevated range but all the while raising the prospect of a slide further out.

OPEC has carried over its strong compliance to the production cuts it agreed with partners at the end of 2016. Average compliance in 2017 was 98.8% but it has jumped to more than 150% in the first three months of 2018 according to Reuters. Saudi Arabia has continued to do much of the heavy lifting in achieving better than expected compliance but in fact all OPEC producers that are party to the deal have achieved a higher level of compliance this year. The UAE has been one of the most improved members, achieving a compliance rate of 124% on average in Q1 compared with around 40% in 2017 as a whole. Compliance in Iraq is higher than it was in 2017 but has been steadily declining since hitting a peak in November when production was disrupted by civil conflict in the country. Venezuela has actually achieved one of the highest levels of compliance but for involuntary reasons (see below).

Outside the region, the biggest fundamental risk to OPEC production levels stems from Venezuela. Oil output there fell 476k b/d below year ago levels in Q1 according to Reuters, an acceleration of the already precipitous decline seen last year. The IEA estimates that total capacity in the country could fall to as low as 1.38m b/d by the end of 2018, the lowest level since the 1940s. Deteriorating economic conditions have left PDVSA, the state oil company, lacking funds to halt the decline in output or pay foreign partners. With the pace of decline accelerating and no viable means to redress it, we expect a decline of around 500k b/d on average this year compared with a 280k b/d drop in 2017. The decline in Venezuela's production may actually end up supporting our core forecast for higher Middle East output as regional producers could replace the lost barrels to avoid oil prices blowing out excessively.

US producers face constraints

Sticking to supply side risks, production in the US could end up disappointing owing to logistical choke points. The EIA projects growth in US crude oil supply of 1.37m b/d this year, effectively the fastest growth on record. Drilling productivity has continued to improve during the slump in oil prices, allowing fast levels of growth at a lower overall rig count. But investment in the rest of the oil infrastructure in the US has not kept pace. Pipelines to export terminals are at already close to capacity and expansions are only expected in 2019. The US also lacks multiple ports at which the largest oil tankers can take on crude, constraining the egress of crude from production centres such as the Permian basin in Texas.

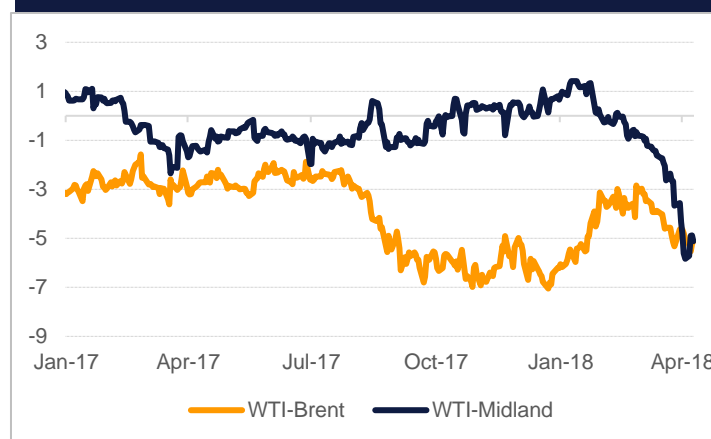
Compliance off to a strong start



Source: EIKON, Emirates NBD Research.

We had expected that Middle East producers would actually increase production in 2018 to take advantage of the improvement in oil prices but Q1 suggests the opposite. If MENA producers maintain their current levels of oil production our projections for global oil market balances would push deeper into deficit, implying a bigger draw on inventories and more support for prices. But there is still most of 2018 to go, leaving plenty of time for changes in regional oil production. The strong start to the year actually gives producers space to ease back on the cuts if the current price levels risk eroding marginal demand or other producers face disruptions. After declining sharply in Q1 last year, Saudi Arabia's production profile saw a pronounced hump in Q2-Q3 and we expect a similar trend across producers this year.

Permian producers face a discount



Source: EIKON, Emirates NBD Research. Note: USD/b.

Producers in Texas are currently facing a wide discount for their crude compared with seaborne Brent or WTI as they run up against off-take constraints. While producers could send crude by truck or rail to export terminals, at the margin this discount could prevent producers in the Permian in particular from achieving the scale of growth expected by most of the major forecasting agencies.

One channel that is open to US oil producers is storage. Total crude inventories are holding at their five-year average according to recent EIA data while Cushing stocks are at less than 50% of capacity. The WTI curve remains in backwardation, meaning storage trades won't work but we would nevertheless expect to see some build in stocks

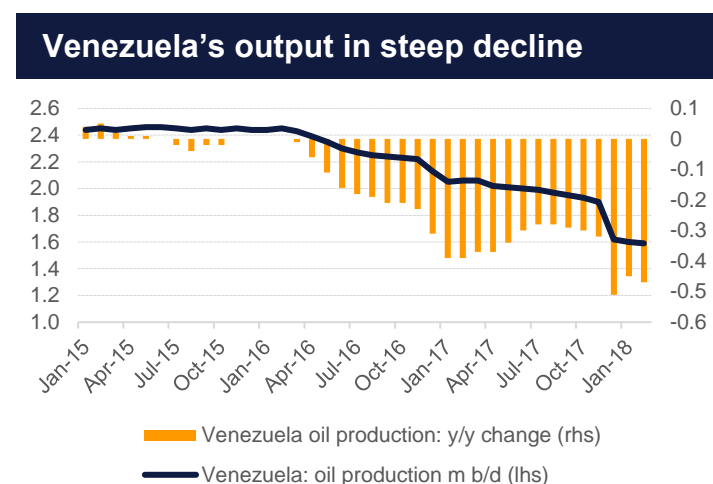
from current low levels as pipeline capacity to the more valuable seaborne market is strained.

Key producers face sanctions risk

There are several political risks that are also adding a bid tone to crude markets. The appointment of Mike Pompeo as US secretary of state and John Bolton as national security adviser has shifted the Trump administration to a more hawkish stance with respect to geopolitical challenges. Neither Pompeo or Bolton support the JCPOA agreement with Iran (the nuclear deal) and their appointments raise the risk of president Trump refusing to renew waivers on Iran sanctions as scheduled in May. After sanctions were imposed in 2012 Iranian oil production dropped off sharply, falling by as much as 1m b/d from pre-sanctions peak to trough.

If Iranian production fell by a similar amount this year our forecasts for market balances in the second half of 2018 would push into a much deeper deficit that notionally should be supportive for prices. Other OPEC producers could fill the gap created by the decline in Iranian output. But considering the outspoken messaging from OPEC officials to keep the market tight, a supply response to lower Iranian production can't be counted on.

We believe there is also a strong risk of the US placing sanctions on imports of oil from Venezuela. So far the White House has delayed imposing sanctions as refineries in the Gulf of Mexico seek out alternative sources of heavy crude. Imports of crude from Iraq and Canada are already increasing as shipments from Venezuela have declined in line with falling production.



Source: EIKON, Emirates NBD Research.

Our core forecast is for Brent futures to average around USD 60/b in 2018 but should any of the above risks materialize in a more concrete manner from Q2 onwards we would expect prices could settle in a much higher range. Looking beyond this year many of these price supportive risks could end up catalyzing a decline as producers race to take advantage of the high prices. The potential return of barrels OPEC is holding off the market along with the timeline of developing shale projects means that a rapid increase in production in 2019 can't be discounted.

Edward Bell, Commodities Analyst

Algeria

Algeria's GDP expanded by just 1.0% in Q3 2017, the slowest pace of growth since Q3 2009. It compares to 3.8% in Q1 and 1.2% in Q2. Given the importance of the oil sector to the Algerian economy, the slowdown is perhaps inevitable given the fact that oil production declined in 2017. Average oil production fell 5.7% over the year, according to Bloomberg data, contributing to an average y/y contraction of 0.4% in the oil component of GDP over the first three quarters. With the cuts now in the base, the oil sector should no longer exert a drag on the economy. We forecast that real GDP growth will rise to 2.4% in 2018, from an estimated 1.8% last year. Nevertheless, despite stronger anticipated growth, the Algerian economy continues to look weak on a number of fronts.

The oil production curbs are not the only challenge facing the Algerian economy; years of low prices have seen the country's reserves fall from USD195bn in 2014 to USD96bn in December, despite government efforts to stem the outflow of dollars by placing an import ban on 900 goods last year. The higher oil prices seen over the first quarter are a positive, but this has in part been outweighed by a weak dollar and strong euro, which has hit Algeria's export receipts and raised the cost of its imports. Despite this, the authorities continue to support the dinar at a level of around DZD114/USD, when a further depreciation would be far more supportive of government plans to diversify the economy and encourage various domestic industries.

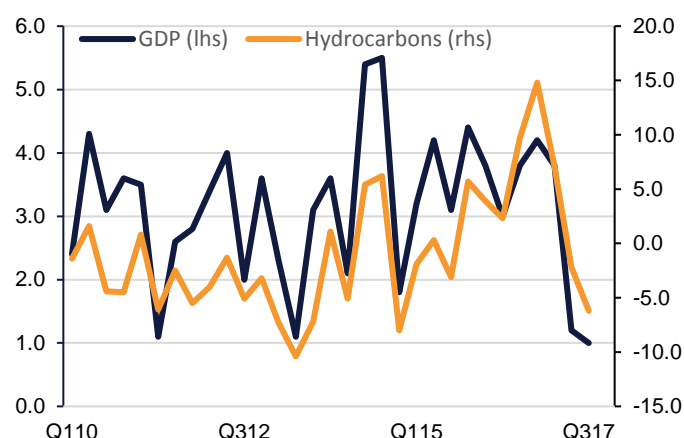
Expansionary budget planned

These diversification aims have been reaffirmed with an expansionary budget which aims to channel a 25% increase in spending all into capital investment. Problematically, however, it proposes to fund much of this through borrowing from the central bank rather than on international debt markets, potentially giving rise to domestic inflationary pressures. At the same time as it proposes to boost its investment, the government remains committed to curbing its recurrent expenditure. With petrol subsidies potentially cut in 2019, and other subsidies in 2020, according to finance minister Abderrahmane Raouia in February, consumers will remain under pressure.

Fifth term for President Bouteflika?

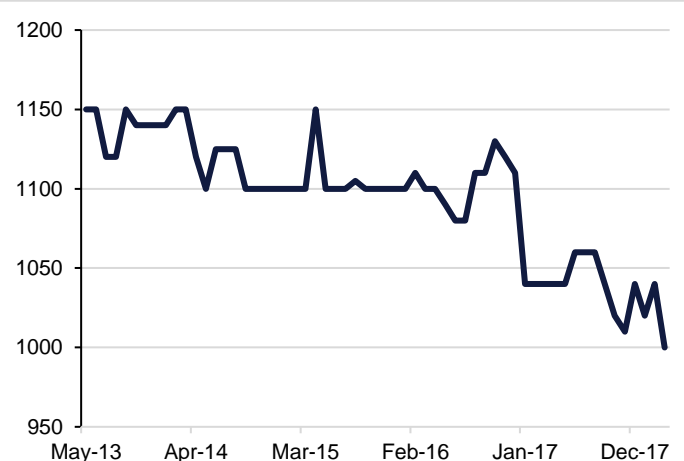
The likelihood that President Abdelaziz Bouteflika will stand for a fifth presidential term in 2019, despite having been largely incapacitated and absent from public view since suffering a stroke in 2013, is growing. The ruling Front de Libération Nationale has publicly called on the 81-year old president to stand once more, and Prime Minister Ahmed Ouyahia of the Rassemblement National Démocratique has confirmed that he will not be standing. Further, according to Ouyahia, a campaign is set to be launched which will showcase Bouteflika's achievements while in power.

Real GDP Growth, % y/y



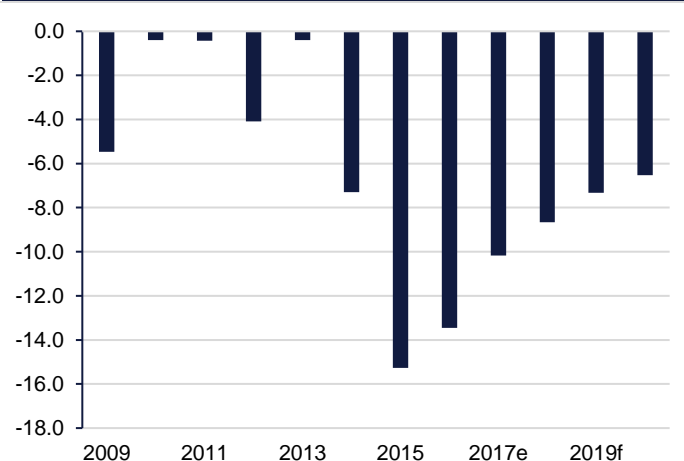
Source: Havers Analytics, Emirates NBD Research

Oil production, b/d



Source: Bloomberg, Emirates NBD Research

Fiscal balance, % GDP



Source: Haver Analytics, Emirates NBD Research

Bahrain

3.9% GDP growth in 2017

Real GDP growth was stronger than we expected at 3.9% last year, against our forecast of 3.0% growth. The oil sector contracted slightly last year but this was offset by strong growth in financial services (5.0% y/y), which accounts for nearly 17% of real GDP. The government services sector (13% of GDP) also saw faster growth of 3.7% y/y in 2017. Transport & communication (4.6% y/y), trade (8.5% y/y), and hotels & restaurants (9.5% y/y) all expanded at a faster rate last year relative to 2016.

We have revised up our growth forecast for 2018 to 3.4% from 3.0% previously. This assumes slightly higher oil sector growth this year (reversing last year's decline) and a modest slowdown in non-oil sector growth. Budget constraints in Bahrain limit the ability of the government to boost expenditure, despite higher oil prices. The recently announced discovery of an estimated 80bn barrels of oil offshore is positive at the margin for oil sector growth but it remains to be seen how much of the new reserves are recoverable and at what cost, and any boost to oil production capacity and volumes would only be evident in the medium term.

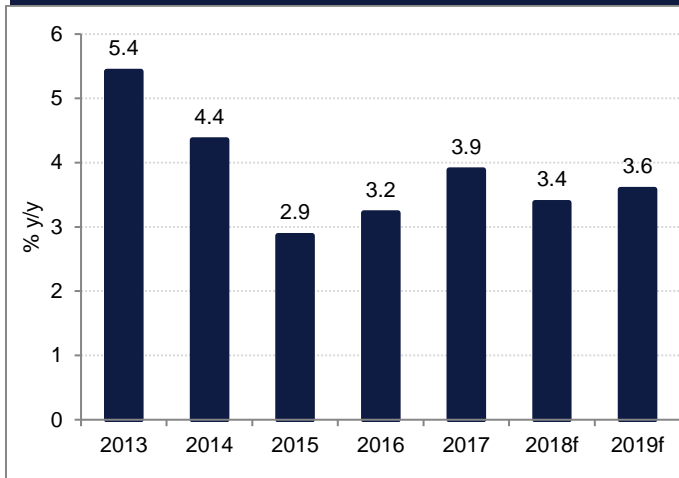
Inflation accelerates in Q1 2018 on new taxes, subsidy cuts

Despite Bahrain delaying implementing VAT at the start of this year, annual inflation accelerated to 3.1% y/y in February from 1.4% y/y in December 2017. Excise taxes on tobacco and sugary drinks contributed to the higher inflation in January and February, as did cuts to fuel (petrol) subsidies which pushed up the transport component of the CPI in January, and likely had some pass-through to prices in other sectors. Planned cuts to electricity and water subsidies in March have been delayed, while discussions around a new welfare system are ongoing.

FX reserves at 6-month low in February

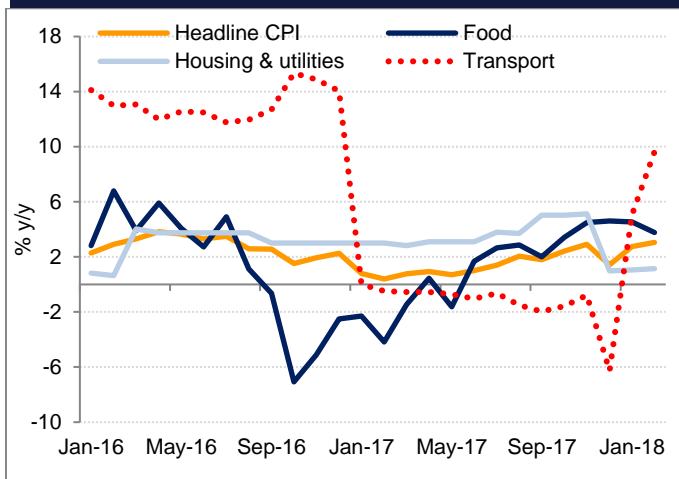
Central bank data through February showed that net foreign assets declined to just USD 1.6bn, the lowest level since August last year and equivalent to about one month of imports. The level of reserves likely increased in March following a USD 1bn sukuk issuance. Nevertheless, the data underlines the vulnerability of Bahrain's external position and its pegged currency.

GDP Growth



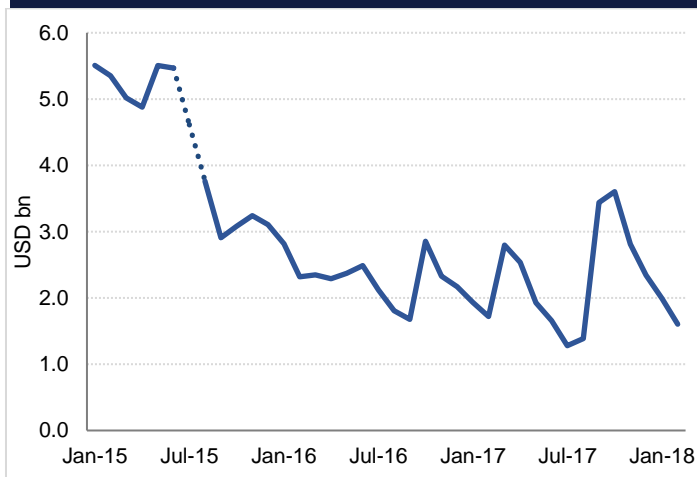
Source: Haver Analytics, Emirates NBD Research

Inflation



Source: Haver Analytics, Emirates NBD Research

Central Bank of Bahrain Net Foreign Assets



Source: Haver Analytics, Emirates NBD Research

Egypt

The Emirates NBD Purchasing Managers' Index (PMI) for Egypt has remained frustratingly just short of the neutral 50.0 level which delineates contraction and expansion in the non-oil private sector. In March, the index fell to 49.2, from 49.7 in February. The IMF has cited the need to encourage private sector activity in its reviews of Egypt's progress on its programme; the pick-up in real GDP growth has to now been driven by public investment and external rebalancing. As such, it will likely be frustrating for the authorities that the index has not breached the 50.0 level since doing so for the first time in two years in November 2017. Nevertheless, we maintain the view that the greater political stability and ongoing economic reforms in Egypt will lead to an uptick in activity, and the PMI will breach the 50.0 level more consistently.

Falling inflation will enable rate cuts

Egypt's headline CPI inflation fell to 13.3% y/y in March, the slowest pace in nearly two years. The ongoing fall in inflation is a positive for the Egyptian economy following the levels of over 30.0% recorded through much of 2017. Although the pace of the decline is set to slow as subsidy cuts planned for the new fiscal year will exert renewed inflationary pressure, we nevertheless expect two further cuts of 100bps each to the key policy rates over the remainder of the year, further to those already seen in February and March.

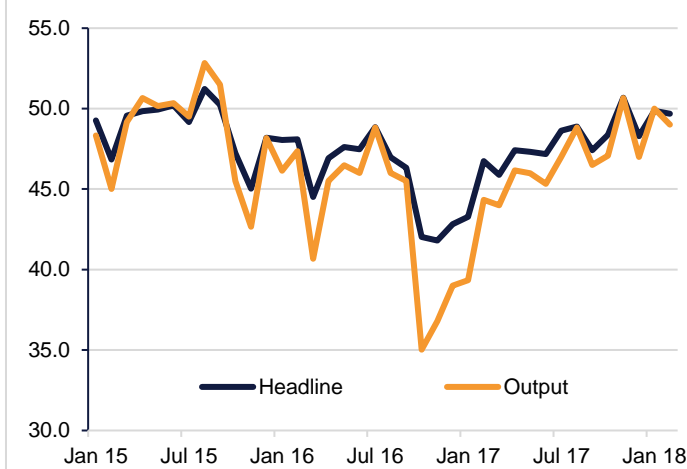
Although the slower pace of inflation might encourage the Central Bank of Egypt to implement faster cuts than we envisage, a cautious approach is likely. Crucially, the CBE needs to deter capital flight of the huge portfolio inflows Egypt has enjoyed since it removed its currency peg and hiked by a cumulative 700bps through the end of 2016 and into 2017. The data show that foreign ownership of t-bills declined in November and December 2017 for the first time since the reforms began. As yields decline, Egypt risks becoming comparatively less attractive as compared to other high-yielding countries.

We see little risk of a crisis, given that reserves stand at record levels of USD 42.6bn with a further USD 13.7bn of other foreign currency assets not recorded in the official reserves figure. Further, we anticipate that other inflows will pick up, including FDI. This was already evident in Q4, with net FDI in Egypt up 38.4% q/q.

Political stability and policy continuity

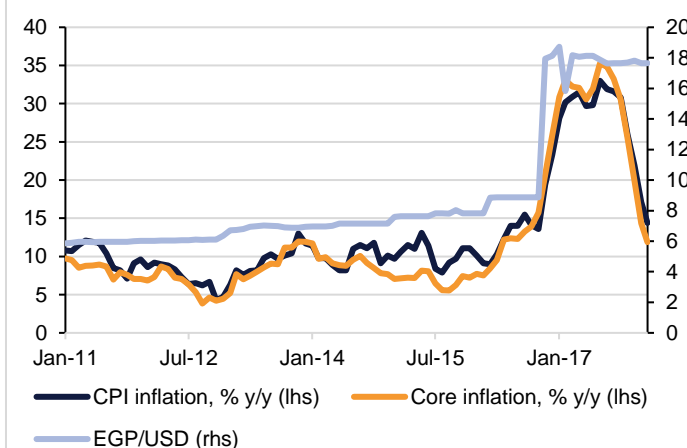
In addition, the improved risk profile in Egypt will also mitigate some of the loss in yield. Presidential elections passed peacefully in March, returning incumbent President Abdel Fattah el-Sisi for a second term with 97% of the vote on 41% turnout. The comprehensive victory will be seen as a mandate for continued economic reform, and the ensured policy continuity and stability will reassure both portfolio and fixed investors. The ratings agencies Fitch and S&P have both upgraded the outlook on their ratings for Egypt to positive in the past six months.

Egypt Emirates NBD PMI



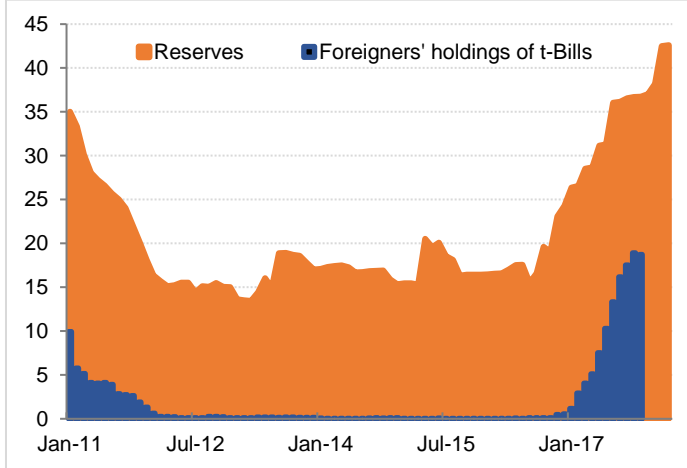
Source: IHS Markit, Emirates NBD Research

Egypt inflation & EGP



Source: Haver Analytics, Emirates NBD Research

Egypt reserves, USDbn



Source: Bloomberg, Emirates NBD Research

Iran

Political risk to the fore

The more hawkish turn taken by Donald Trump's presidential administration in the US since the start of 2018 makes the reinstatement of sanctions against Iran over its alleged nuclear weapons programme an increasing likelihood. Or more precisely, it is more likely that some, if not all, waivers over existing sanctions, introduced as part of the Joint Comprehensive Plan Of Action (JCPOA) in 2015 will not be renewed once more in May. Both new Secretary of State Mike Pompeo and new National Security Advisor John Bolton have been critical of the deal in the past, and are unlikely to dissuade President Trump from what he has been quite vocal about wanting to do since coming to power.

It remains to be seen to what extent the US will look to cripple Iranian business activity once more, and how far it will go to restrict activity in Iran by its partners in Europe who remain committed to the multilateral agreement. While it is true that investment into Iran has to a large degree been slower in coming than the Rouhani administration may have hoped, given widespread fears over such a move from the US having been pertinent for some time, there can be little doubt that a renewal of any sanctions against Iran will be a negative for the economy there, and much-needed foreign investment would be even slower in materializing. We have revised down our 2018 real GDP growth forecast from 4.7% to 4.1% in the first instance, as even increased fears over sanctions will be a blow.

Rial in freefall

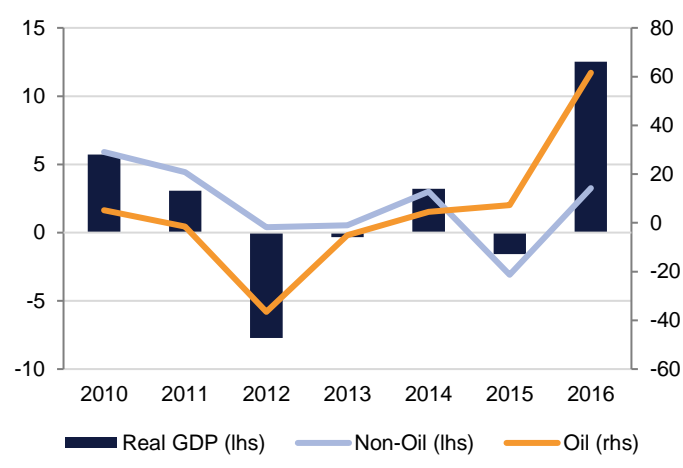
The Iranian government is taking drastic steps to try and stem the rial's rapid depreciation on the parallel market, announcing a devaluation of the official exchange rate in April, and harsh penalties for anyone caught selling the currency at any other rate. The new official rate for the rial is IRR 42,000/USD, compared to IRR 37,830/USD previously. The black market rate for the rial fell to as low as IRR 60,000/USD in some sales just prior to the move. Fears over renewed sanctions have contributed to the freefall. Iranian inflation fell to 8.3% in March, the lowest level this year, but a renewed sell-off in the currency will exacerbate inflationary pressures once more over the coming months and we forecast an average of 11.0% over the year.

Oil production, b/d, '000



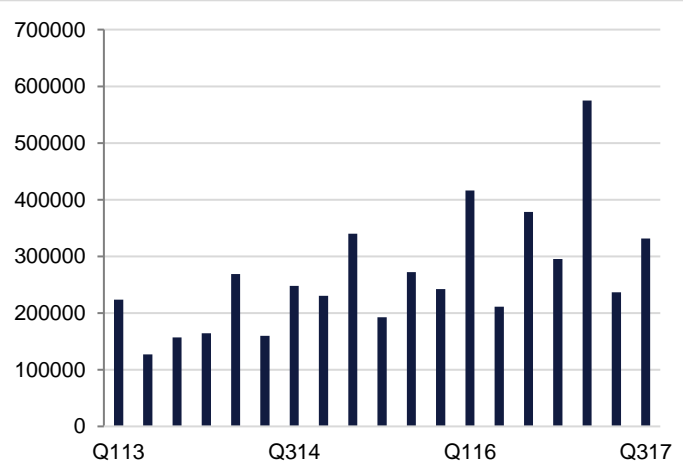
Source: Bloomberg, Emirates NBD Research

Real GDP growth, % y/y



Source: Haver Analytics, Emirates NBD Research

Government revenues, IRRbn



Source: Haver Analytics, Emirates NBD Research

Iraq

We have made a modest downward adjustment to our 2018 real GDP growth forecast for Iraq, from 2.7% to 2.4%, as oil production remains steady and investment pledges have disappointed. Nevertheless, the outlook is significantly brighter than in 2017 when the economy contracted by -0.3%, as it is set to benefit from a peace dividend and higher oil prices. This will be fortified further in 2019, when we forecast growth of 4.3%.

Oil production has remained steady

Iraq has been sticking to its OPEC-agreed oil production quota of 4.4mn b/d over the first three months of 2018, with negative implications for real GDP growth. We had anticipated that the greater stability in the country following the defeat of IS in all but small pockets of the country would see production pick up and test the limits of the agreement this year. However, Iraq has remained committed in both word and deed, with the cut of 210,000 b/d adhered to, and Iraqi president Fuad Masum reiterating Iraq's support for the policy in statements in March.

Nevertheless, the cuts to production are already in the base, and the oil sector will not exert a drag on growth this year, especially given two other pertinent factors. First, imports of petroleum products are set to be significantly reduced as refineries are revived, according to oil minister Jabar al-Luaibi. Second, the government has also approved an increase in crude production capacity to 6.5mn b/d by 2022, compared to current capacity of under 5mn b/d. A tender for 11 new oil and gas blocks is expected in April, which will drive investment over the next several years.

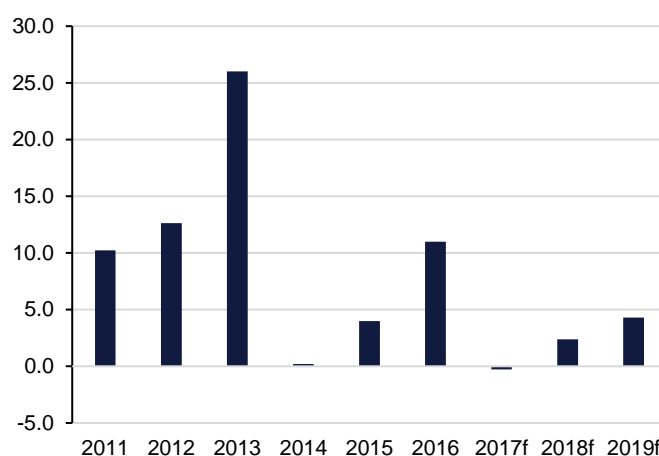
Pledges disappoint

Investment into infrastructure is another factor behind our expectation that growth will pick up, as Iraq looks to rebuild in the wake of IS' defeat. Higher oil prices will bolster the government's ability to do this, but it will remain reliant on external funding for much of the required work. In this regard, the outcome of a conference aimed at generating external funding held in Kuwait over 12-14 February was likely something of a disappointment. Having declared that the country was in need of USD 88bn in assistance, and USD 25bn immediately, the conference only succeeded in raising USD 30bn, and much of that in the form of direct project investment and credit cover rather than outright disbursements.

Abadi set to win upcoming elections

Iraqis are set to go to the polls on May 12 in elections which will likely see Prime Minister Haidar al-Abadi secure a second term. He is enjoying a surge in popularity following the IS defeat last year, and faces a fairly divided opposition, especially amongst the Kurdish parties following a botched independence bid last year. A win for Abadi will be broadly positive for Iraqi stability, and will support ongoing reconstruction. The key to fostering longer-term growth will be ensuring lasting stability that will entice private fixed investment – no private deals were announced over the course of the Kuwait conference.

Real GDP growth, % y/y



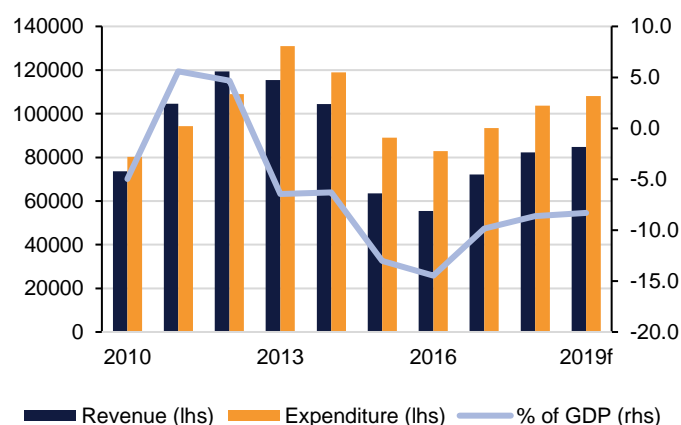
Source: UN, Emirates NBD Research

Oil production, b/d '000



Source: Bloomberg, Emirates NBD Research

Fiscal balance, IQDbn



Source: Havers Analytics, Emirates NBD Research

Jordan

Jordan is set to benefit from comparatively improved regional security in 2018, as the rout of IS in neighbouring Iraq reopens trade routes and markets that had been disrupted by the Islamist takeover of much of the country. The transport component of Jordan's GDP (15% of total) expanded 2.7% last year, and we expect it to perform stronger still in 2018. Tourism will also likely perform better as fears over spillover violence dissipate; total visitor numbers climbed 7.8% y/y last year. We forecast real GDP growth of 2.6% this year, compared to 2.1% in 2017.

Consumers will remain under pressure

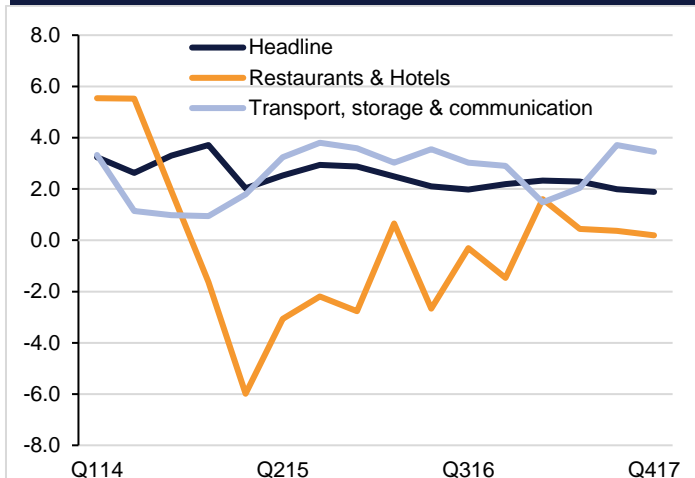
While certain sectors of the economy are expected to perform well in 2018, we expect that private consumption will remain under pressure, squeezed by high unemployment, rising inflation and interest rate hikes, and the ongoing strain induced by a large influx of Syrian refugees. Unemployment rose to 18.5% in H2 2017, having climbed fairly steadily for the past five years. This roughly corresponds with the influx of Syrian refugees into Jordan, the number of which climbed sharply at the close of 2012 and has remained around the 650,000 level since.

With a lasting political settlement in Syria highly unlikely to materialise any time soon, this number is unlikely to decline significantly in the medium term. Indeed, the number of Syrian refugees in Jordan has risen each month of 2018 so far. Demand will also be squeezed by rising prices – inflation has been climbing in 2018, and we forecast an average 3.9% over the year, compared to 3.3% in 2017 – and by rising interest rates. The Bank of Jordan has raised its benchmark rate by a cumulative 50bps in the past six months, in line with the US Federal Reserve, and we anticipate that both bodies will enact a further two 25bps hikes over the remainder of the year.

Foreign support will remain forthcoming

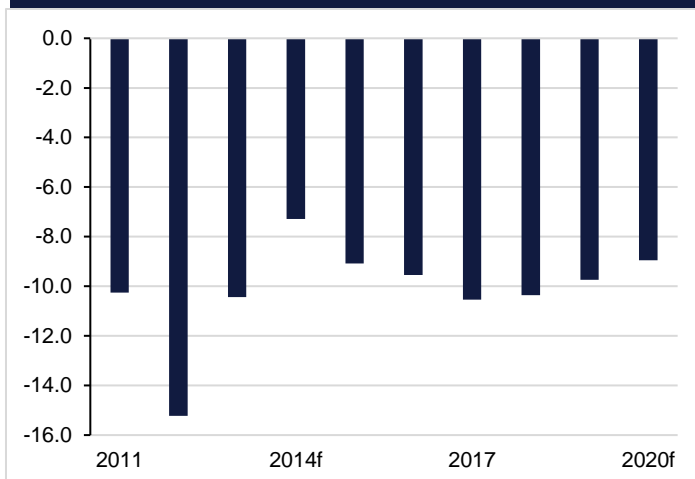
Jordan will remain highly dependent on foreign support to sustain its economy over the coming years, and this has been highlighted by a new EU foreign investment plan launched in March. The aim of the plan is to boost sustainable growth and employment opportunities through targeting investment in sectors such as renewable energy, agribusiness and digital services. We forecast that Jordan's current account deficit will be equivalent to 8.0% of GDP in 2018, but this would be even higher if not for the aid and support inflows which show up under current transfers. Given that Jordan has taken in so many Syrian refugees, and its stability is highly important to the wider region, we expect that this support will remain forthcoming.

Real GDP growth, % y/y



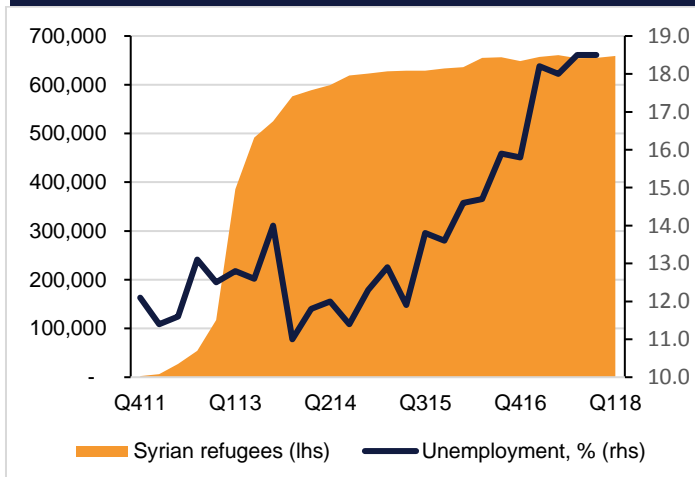
Source: Haver Analytics, Emirates NBD Research

Current account balance, % GDP



Source: Haver Analytics, Emirates NBD Research

Refugees & unemployment



Source: Haver Analytics, UNHCR, Emirates NBD Research

Kuwait

Real GDP declined -2.9% in 2017

Kuwait's economy contracted nearly -3% in 2017, according to preliminary estimates, against our forecast for -1.2% decline. The primary reason was the -8.0% decline in the hydrocarbon sector, as Kuwait cut crude production to comply with OPEC targets. As these cuts are now in the base, we expect the oil sector to contribute positively to GDP growth in 2018.

The non-oil sector grew 4.6% in 2017, slower than 5.3% growth recorded in 2016. The fastest growing sector was communications (15.0% y/y), but this accounts for just 4.4% of GDP. Other fast growing sectors last year were transport & storage (6% y/y), wholesale & retail trade (5.7% y/y) and 'other services' (5.7% y/y). The construction sector contracted -4.2% y/y. The biggest non-oil sector is public administration and defence (9.6% of GDP), which grew 2.5% last year. Financial services growth slowed to 0.9% last year from 2.3% in 2016.

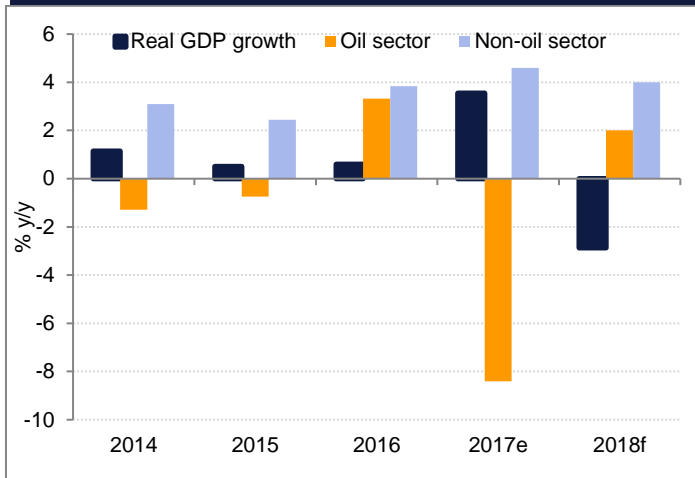
We have revised up our forecast for 2018 to 2.9% as we expect the oil sector to rebound after last year's sharper than expected contraction. We expect non-oil growth to slow slightly to a still-strong 4.0%.

Current account moves back into surplus in 2017

Central bank data showed Kuwait's current account surplus recorded a surplus of USD 7.6bn last year (6.3% of GDP), a sharp turnaround from the deficit of -USD 5.0bn (-4.5% of GDP) in 2016. Higher oil prices were the key driver behind increased export revenue, while investment income increased nearly 50% y/y. Current transfers (mainly workers' remittances) also declined last year, which helped the overall current account position improve.

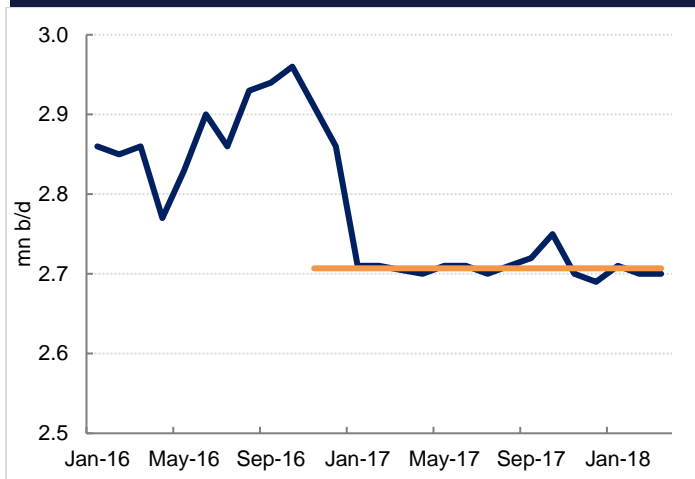
We expect the current account surplus to shrink to 2.4% of GDP this year on lower investment income and a rebound in remittances, notwithstanding a parliamentary committee recently approving a draft law to tax expatriate remittances. The bill does not have support from the legal and legislative parliamentary committee, and is also opposed by the central bank governor and other key stakeholders. We think it unlikely such a measure will be approved by the government.

GDP growth



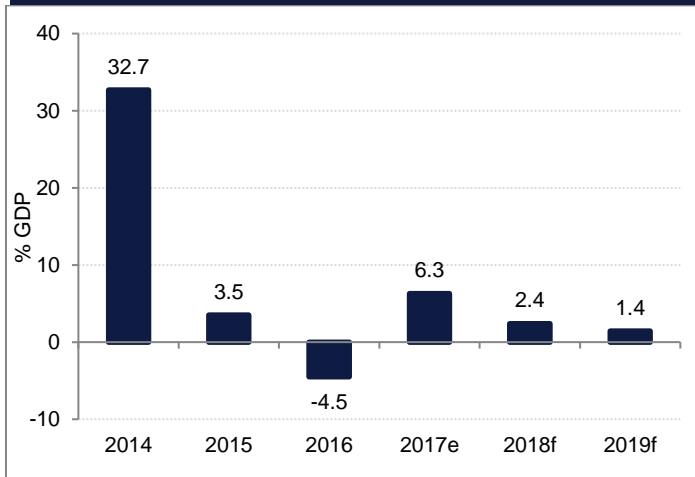
Source: Haver Analytics, Emirates NBD Research

Kuwait oil production & OPEC target



Source: Bloomberg, IMF, Emirates NBD Research

Current account balance (% GDP)



Source: Haver Analytics, Emirates NBD Research

Lebanon

Lebanon's BLOM purchasing managers' index fell to a three-month low of 46.5 in March, implying that the country's private sector remains firmly in contractionary territory. Few firms expect any near-term improvement, with only 1.2% of respondents saying that they expect output to be greater in 12 months' time – many cited ongoing economic and political difficulties as major concerns, implying that the optimism over the formation of a functioning government and the passing of the first budget in 12 years in 2017 has waned. We forecast real GDP growth of 1.8% in 2018, up only marginally on an estimated 1.6% last year, as these challenges remain to the fore.

That is not to say that there has been no progress on much-needed economic reform in Lebanon, only that it has been in relative terms. There have been some significant successes, most notably at its Paris conference in April where delegates from 41 countries and a host of multilateral institutions pledged USD10.2bn in loans and USD860mn in grants. This exceeded the USD10bn Lebanon was looking to raise for the first phase of its seven-year plan, and will be directed into strategic growth-supporting projects such as transport links and power stations. In March, the cabinet approved the 2018 budget which displayed a determination to follow through on reforms, with state agencies instructed to cut spending by 20%.

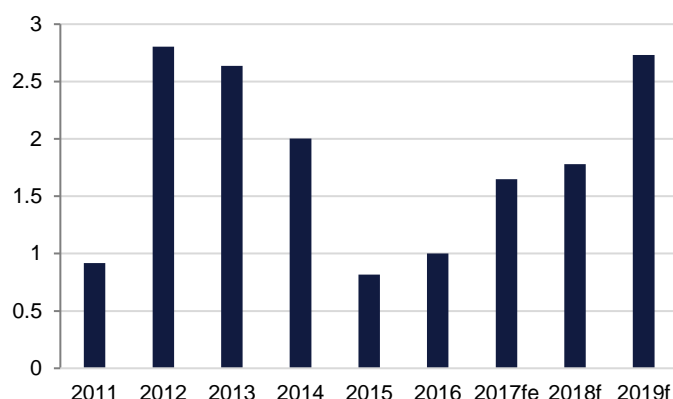
Debt remains a key concern

These measures will help slow the rapid escalation in the country's debt, which stands at 150% of GDP. Debt service costs accounted for 35.4% of all spending in 2017. Coupled with 9.4% going to cover loss-making state energy firm Électricité du Liban, nearly half of all spending is unproductive, making reforms crucial if a meltdown is to be avoided. Concrete progress on reforms and deficit reduction will also be key to success at future funding rounds for Lebanon's seven-year plan.

Elections will change little

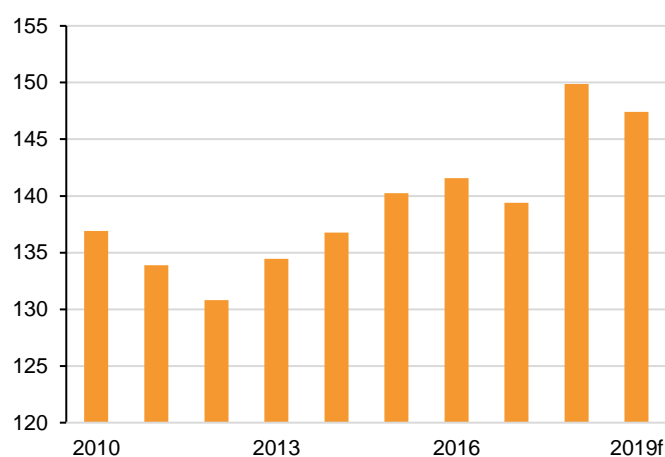
Upcoming elections in Lebanon will do little to change the status quo, meaning that progress on these essential reforms could yet stall as they potentially run up against vested interests. Parliamentary elections, postponed since 2013, are due to take place on May 6 after the passing of a new electoral law last year paved the way for the first elections in nine years. Although the new proportional representation system could generate some modest change in the make-up of the house given that non-traditional parties will have an easier route to parliament, we expect that after some horse trading Saad Hariri will return as prime minister, in a consensus government encompassing Hizbullah.

Real GDP growth, % y/y



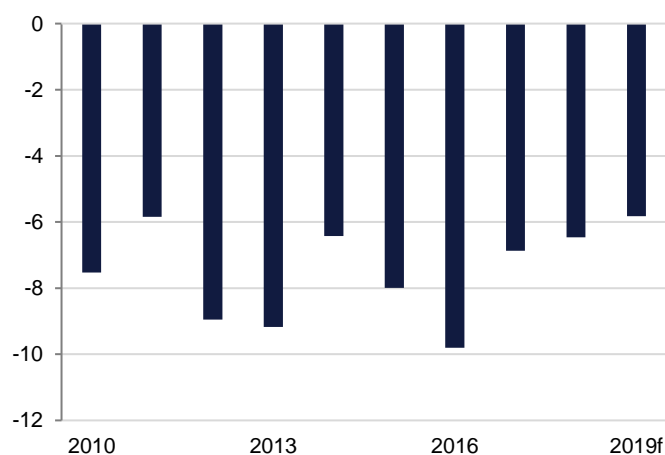
Source: Haver Analytics, Emirates NBD Research

Public debt, % GDP



Source: Haver Analytics, Emirates NBD Research

Budget balance, % GDP



Source: Haver Analytics, Emirates NBD Research

Libya

Libya's oil production averaged 1.0mn b/d in the first quarter. This is significantly higher than the 670,000 b/d averaged over the first quarter of 2017, suggesting that the Libyan economy will enjoy robust growth this year if current levels are maintained. Fluctuations in oil production, which makes up the bulk of the Libyan economy, have led real GDP growth to oscillate wildly since the overthrow of long-serving ruler Muammar Qadhafi.

Despite the near-50% y/y expansion in production so far this year, Libya's oil output remains far lower than the average 1.6mn b/d seen prior to the unrest, suggesting that there remains significant potential for growth still. However, in reality, this will be constrained by Libya's participation in the OPEC oil production curbs, as a party to which it agreed to limit production to 1.0mn b/d – to which it has been sticking so far this year.

Political settlement remains out of reach

The political situation in Libya remains fragmented, not just between the two major camps under the Tripoli government led by Fayaz al-Sarraj in the west, and the rival Tobruk-based government headed by Field Marshal Khalifa Haftar in the east, but also a host of other smaller political groupings and militias. A UN-backed plan to hold presidential and legislative elections in 2018 are moving slowly forward, and a drive for registration took place earlier this year.

However, with barely functioning institutions and the threat of violence from the myriad of armed groups with varying competing interests operating in Libya, the chances of elections passing peacefully if held now are slim. The risks of a deterioration in the situation have been heightened by as-yet unconfirmed reports on April 12 that Haftar has suffered a severe stroke and is being treated in Paris, or has even died. Whatever the veracity of these reports, the charismatic leader's departure from the scene could prompt further fragmentation and make a political settlement even harder to come by.

Oil production, b/d



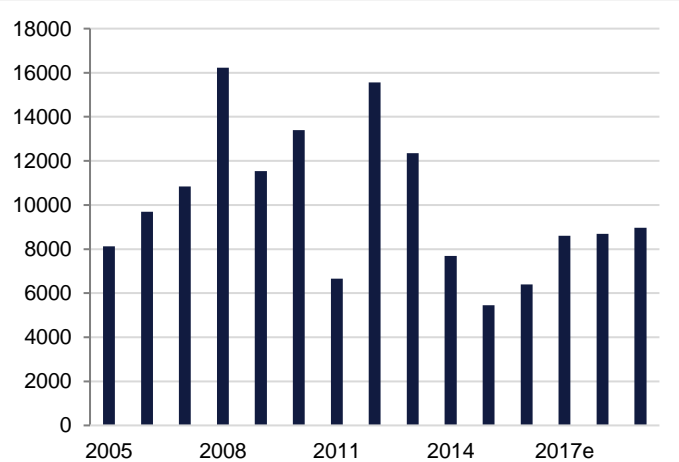
Source: Bloomberg, Emirates NBD Research

FX reserves



Source: Haver Analytics, Emirates NBD Research

GDP per capita, USD



Source: Haver Analytics, Emirates NBD Research

Morocco

Morocco recorded real GDP growth of 2.9% y/y in the first quarter, compared to a 4.1% expansion in Q4 2017. This slower growth was in large part driven by a -0.5% contraction in the agricultural sector, and supports our relatively bearish forecast of 2.7% for 2018. Poor rains and bad harvests retain the power to slow the Moroccan economy, but generally speaking the country has robust economic fundamentals and remains one of the more positive stories in the MENA region. The slower growth anticipated in 2018 has to be seen in context, given 2017's 4.0% growth was itself the product of poor harvests the previous year, when headline growth slowed to 1.2%.

Aside from agriculture, other sectors are still performing well, and the non-agricultural sector as a whole grew 3.2% y/y in Q1. Mining performed particularly strongly with growth of 9.5%. Other sectors we hold a bullish view on include automotives production and financial services. In 2019, we anticipate that real GDP growth will strengthen once more, forecasting a 3.6% expansion. Despite the slower growth this year, Morocco's twin deficits will narrow, and both the current account and budget shortfalls are slighter than the regional average. We forecast that they will stand at equivalent to 2.1% and 3.2% of GDP respectively in 2018.

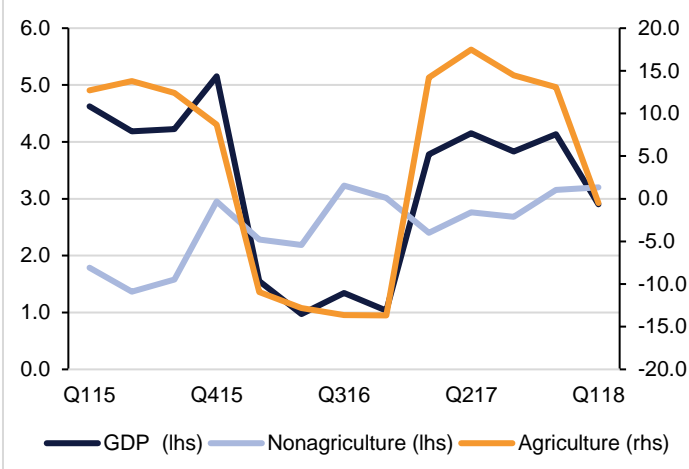
Slowly does it with dinar liberalisation

The Moroccan dinar has been fairly stable since the authorities widened its trading band to a daily limit of 2.5% above or below the reference rate, as compared to 0.3% previously, on January 14. The currency, which is benchmarked against a basket comprising 60% EUR and 40% USD has remained range-bound between MAD9.10/USD and MAD9.25/USD over the past several months. Reserves, which had sold off sharply in mid-2017 when this move had previously been mooted, declined modestly, but the pace of this has slowed, dispelling some of the fears around exchange rate liberalisation. Nevertheless, Bank al-Maghrib governor, Abdellatif Jouahri, said in January that a fully floated dirham was as much as 15 years away, and that such a move would be dependent on other reforms being carried out. Proceed slowly is the mantra, ensuring above all that the economy remains stable as reforms are carried out.

World Cup bid could boost long-term growth

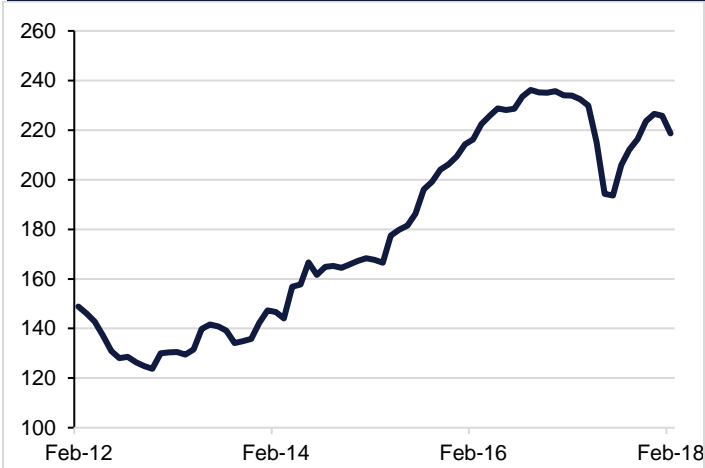
Morocco remains a serious contender for hosting the 2026 FIFA World Cup, with the support of as many as 107 footballing associations according to some reports. It will have to defeat a joint North American bid by Canada, Mexico and the US. The decision is due to be made in June, just prior to the start of the 2018 World Cup in Russia. Morocco's bid encompasses significant development plans, with investment into transport infrastructure, sporting stadia, hospitals, and hotels and other tourism facilities. If successful, the event would help drive GDP growth over the next eight years and beyond.

Real GDP growth, % y/y



Source: Haver Analytics, Emirates NBD Research

FX Reserves, USDbn



Source: Bloomberg, Emirates NBD Research

Exchange rate, MAD/USD



Source: Bloomberg, Emirates NBD Research

Oman

Oil production down -3.4% in 2017

Although Oman is not an OPEC member, it has cut oil production to support OPEC's efforts to reduce the excess supply of oil in global markets. Oil production last year declined -3.4% to an average 977k b/d. This would have been a drag on overall GDP growth last year, but was likely offset by faster non-oil sector growth. Oman's transport and logistics sector would have benefitted from the sanctions imposed by Saudi Arabia and the UAE on Qatar in June last year. Cancelled direct flights to and from Qatar meant passengers from Saudi Arabia and the UAE have flown via to Doha via Oman and Kuwait, while seaborne cargo bound for Qatar was diverted from UAE to Omani ports.

We estimate Oman's economy grew 1.0% in 2017 and we expect growth to accelerate further to 2.8% this year (the government's forecast is 3.0%) and 3.2% in 2019.

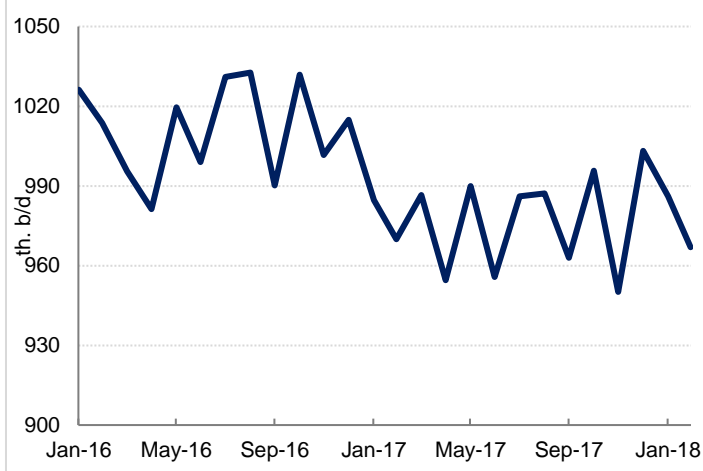
Loan growth is strong relative to other GCC economies

Bank loans grew 7.3% y/y in January, up from an average 6.6% in 2017. Around 90% of bank loans in Oman are to the private sector, but the fastest growing segment in recent months has been loans to government. These stood at OMR 38.9mn at the end of January, the highest level in over a year. Private sector loan growth slowed over the course of last year but at 5.8% y/y in January is still much stronger than private sector credit growth in Saudi Arabia and the UAE.

Bank deposit growth has been relatively steady since June 2017, and stood at 5.6% y/y at end-Jan 18. Growth in government deposits (around 30% of total bank deposits) has slowed since July last year, but remains solid at 5.5% y/y (end Jan). Private sector deposit growth is at a similar pace, reaching 5.1% y/y in January.

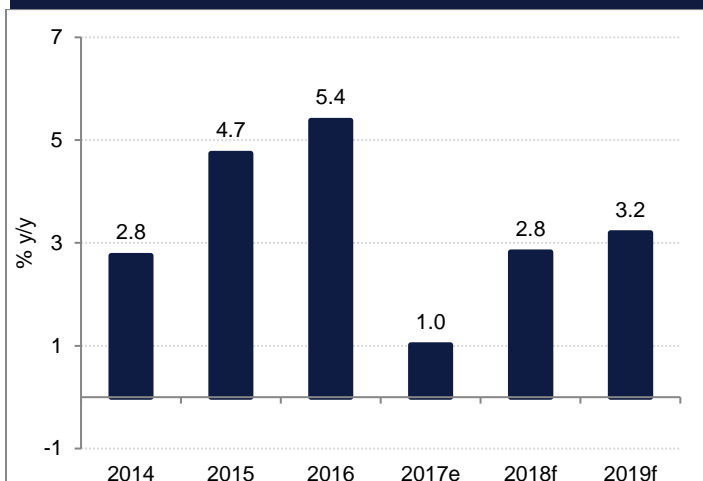
The central bank's gross foreign assets jumped to USD 19.5bn in January following a USD 6.5bn bond issue in January, but declined to USD 18.5bn in February.

Oil production



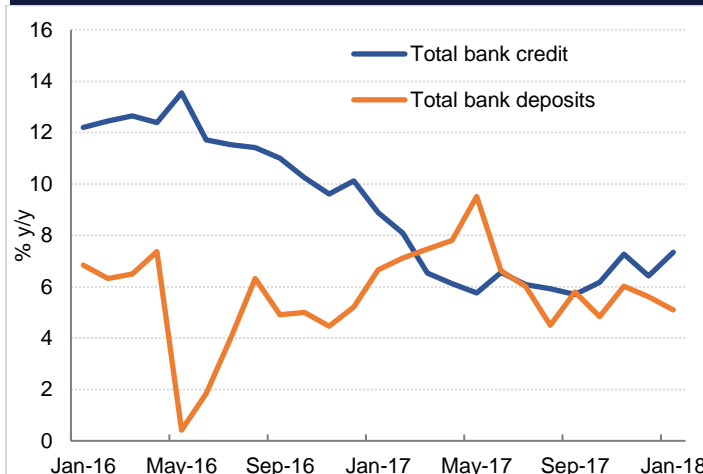
Source: Bloomberg, Emirates NBD Research

GDP growth



Source: Haver Analytics, Emirates NBD Research

Bank loan and deposit growth



Source: Bloomberg, Haver Analytics, Emirates NBD Research

Qatar

GDP growth slowed to 1.2% in 2017

Official data show GDP grew 1.2% y/y in 2017, sharply lower than the 2.0% growth recorded in 2016 and also lower than our forecast. The oil sector shrank -1.1% last year, while non-oil growth slowed to a still respectable 4.2%. The fastest growing non-oil sectors were building & construction (15.0% y/y) and social services (7.6% y/y) and agriculture (8.2% y/y). Manufacturing expanded 2.9% while transport and communications contracted -1.3% last year.

We expect both oil and non-oil sectors to growth this year, with overall GDP growth likely to accelerate to 3.4% in 2018 in our view.

Money supply and credit growth slow

Money supply growth peaked at 21.3% y/y at the end of last year as FX deposits surged. However, in the first two months of this year, M2 growth slowed (to 15.7% y/y in February 2018).

Bank loans to the private sector are still growing at a solid rate, although this has also slowed over the last couple of months to reach 6.5% y/y at end-Feb. Nevertheless, this is much stronger than private sector credit growth in both the UAE and Saudi Arabia. Bank loans to government and the public sector were up 12.6% y/y at the end of February.

The central bank's net foreign assets stood at USD 17.4bn at the end of February, up from USD 14.6bn at end-2017. The stock of foreign assets is likely to be given a boost by the proceeds of the USD 11bn bond issue in April.

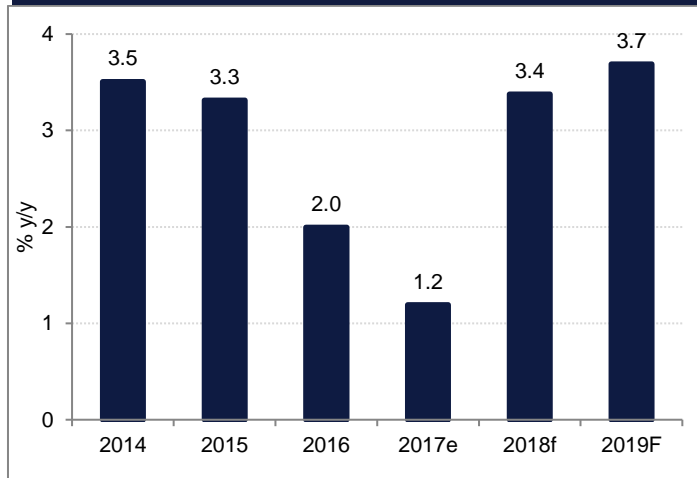
Current account surplus higher than expected in 2017

Preliminary BoP data show the current account recorded a surplus of nearly USD 6.4bn in 2017, or 3.9% of GDP. While export revenues increased as expected, imports declined by nearly USD 1bn relative to 2016. This is surprising as we expect the cost of importing goods would have increased in H2 2017 after the trade sanctions were imposed by Saudi Arabia and the UAE. We expect the data will later be revised to show a lower current account surplus, closer to USD 3bn (1.8% GDP) in 2017.

Housing costs decline, weighing on CPI

Inflation averaged just 0.7% in Q1 2018, with declining housing costs weighing on the index. Housing and utilities account for nearly 22% of the consumer basket and this component declined -5.3% y/y in Q1. Increases in the costs of healthcare (5.3% y/y in Q1 18), transport (7.8% y/y) and food (4.5% y/y) offset the decline in housing costs. We have revised our forecast for average CPI down to 1.5% in 2018, although we expect headline inflation to reach 2.0% by year-end.

Real GDP growth



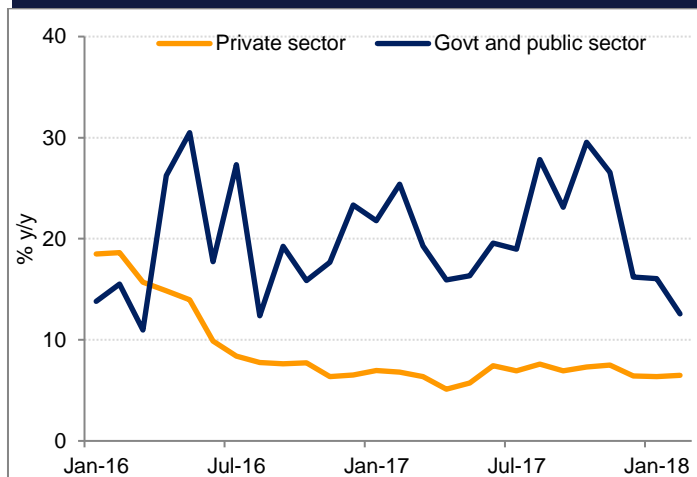
Source: Haver Analytics, IMF, Emirates NBD Research

QCB Net Foreign Assets



Source: Bloomberg, Emirates NBD Research

Bank loan growth



Source: Haver Analytics, Emirates NBD Research

Saudi Arabia

Oil production increases slightly

After declining by more than 4% in 2017 to below the OPEC agreed target, we had expected Saudi Arabia to gradually increase oil production in 2018, contributing to an overall acceleration in GDP growth this year.

In Q1 2018 however, Bloomberg estimates show that Saudi crude output declined marginally (-0.6%) from last year's average to 9.903mn b/d, still below the OPEC agreed limit of just over 10mn b/d. In addition, there were reports last week that the Saudis were looking for oil to reach around USD 80/b, which suggests they may maintain over-compliance on production for longer than we had assumed. This poses a downside risk to our 2018 growth forecast.

PMIs show slower non-oil sector growth

The headline PMI averaged 53.0 in Q1 2018, the lowest average in the survey history of nearly 10 years. While we had expected weaker PMIs in the first couple of months of this year, due to the impact of VAT and the fact that Q4 readings were boosted by pre-VAT purchases, the March PMI dropped to a record low of 52.8 in March. The softness in the PMIs is particularly striking when considered in the context of an expansionary 2018 budget and higher oil prices, which raises questions about how effectively the budget for this year has been executed in Q1. If this weaker new order growth persists into Q2, it poses further downside risks to our 2018 real GDP growth forecast of 2.5%.

Current account records surplus in 2017

The current account posted a surplus of 2.2% of GDP, more than double our forecast of 1.0% and up from a deficit in 2015 and 2016. Higher oil revenues were the main driver of the turnaround in the trade balance, although imports were lower than we had forecast.

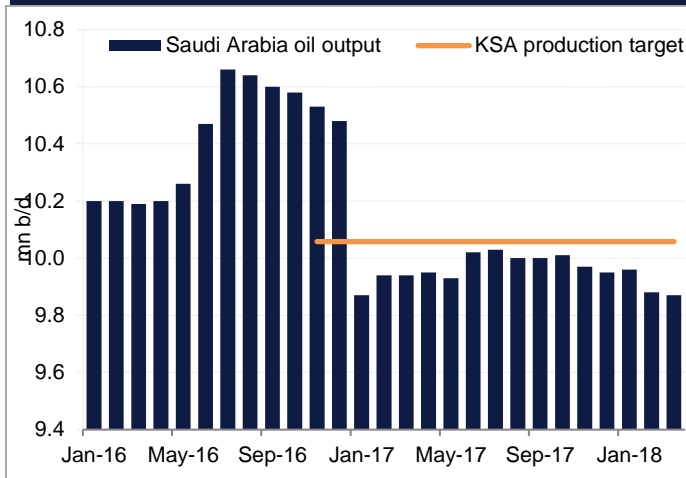
Errors & omissions (a proxy for capital flight) narrowed sharply to – USD 4.0bn after reaching –USD 66.6bn in 2016. The financial account reflected net inflows of portfolio investment but this was dwarfed by outflows of 'other investments' – mainly acquisition of foreign currency and deposits abroad. Reserves declined by nearly USD 40bn over the course of last year, about half the decline in 2016 and one-quarter of the decline in reserves in 2015.

Bond issue should complete external debt issuance for this year

Saudi Arabia issued USD 11bn worth of bonds in April while the Crown Prince was meeting heads of state and investors abroad. This followed USD 6bn raised in March by increasing the size of a syndicated loan taken in 2016.

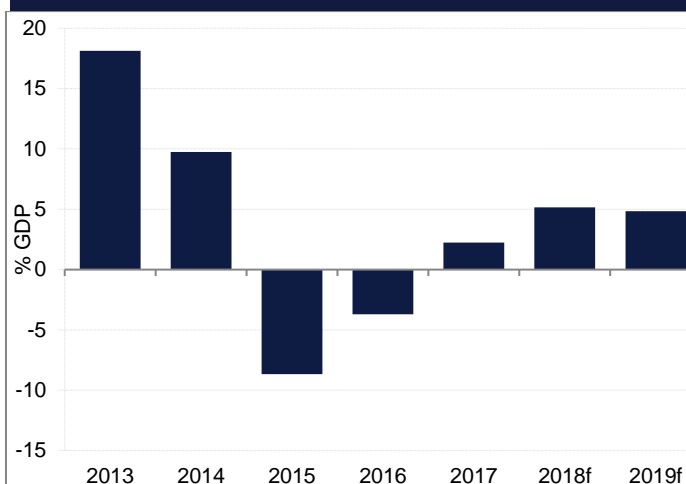
The external debt raised in Q1 2018 will likely be supplemented by domestic bond issuance through the rest of the year. About half the total budget deficit is expected to be financed by debt, with the balance covered by reserves.

Oil production and OPEC target



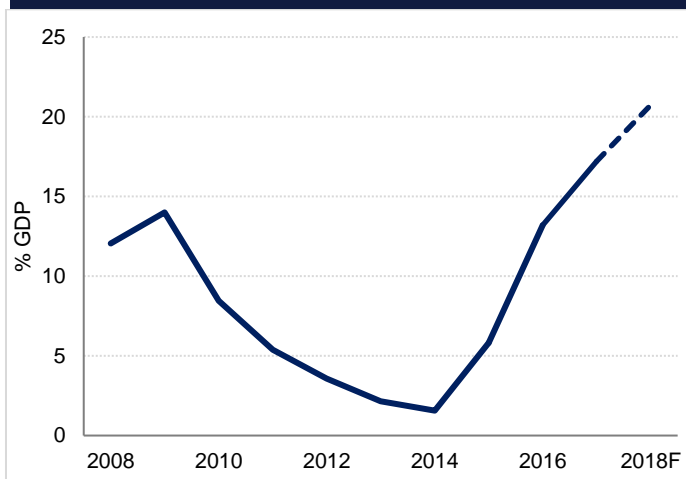
Source: Bloomberg, Emirates NBD Research

Current account balance (% GDP)



Source: Haver Analytics, Emirates NBD Research

Public debt (% GDP)



Source: Haver Analytics, Emirates NBD Research

Tunisia

Although we forecast that real GDP growth in Tunisia will accelerate to 2.0% this year, from 1.7% in 2017, the outlook has worsened over the start of 2018, and this forecast reflects a sizeable downward revision from our previously bullish projection of 3.3%. Tunisia continues to grapple with a host of macroeconomic challenges which have increased in their severity since the start of the year, and which will likely deter much-needed investment. Tunisia is trapped in something of a vicious circle, as the likelihood of further austerity measures prompts disruptive strikes and protests in anticipation of these, hampering industrial production, and making austerity measures even more necessary to balance the government's books.

Youth protests

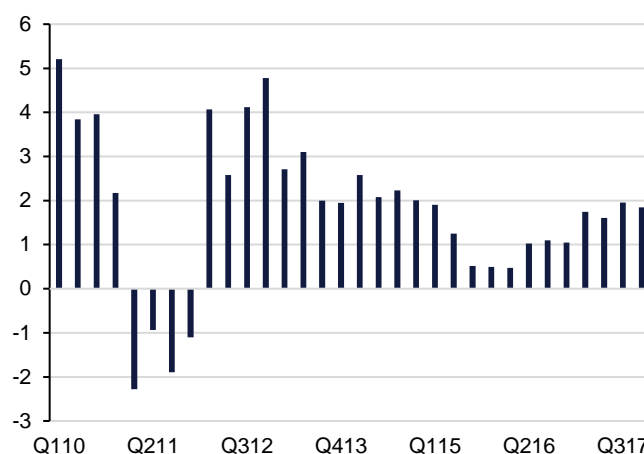
Youths protesting austerity and a lack of opportunities effectively shut down Tunisia's phosphate mining sector for nearly two months over February and March, preventing mines from operating and hampering exports. The Tunisian industrial production index has already been predominately in contractionary territory through the past several years, and this will have exacerbated the situation further. A similar situation threatens to play out with government plans to privatise elements of the economy, as the powerful UGTT labour union called potential government plans to sell off state assets as a 'red line' which would be dealt with.

Such opposition makes the government's efforts to rein in its fiscal deficit increasingly difficult, and borrowing on international debt markets has been dealt a blow by a ratings downgrade to B2 – five levels below investment grade – in March. In such conditions, the authorities will be thankful that the IMF passed Tunisia on the second review of its Extended Fund Facility (EFF) programme, meaning that the government will be able to draw on a tranche of USD257.3mn. Passing the review will give some reassurance to investors that Tunisia is on the right path, but even it raised concerns.

Tightening monetary policy

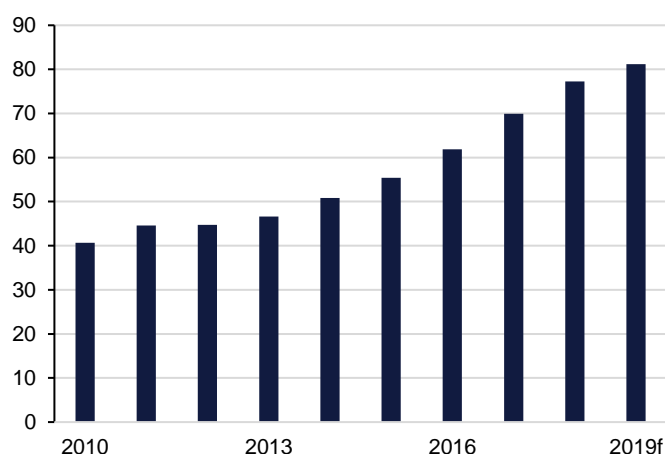
The Tunisian central bank (BCT) was forced to implement a 75bps hike to its benchmark interest rate in March as it sought to 'face up to the real risks of ongoing inflation in 2018'. CPI inflation hit 7.6% in March, the highest level in over 20 years, and there is scope for further price growth given the IMF's support for a further currency devaluation. We see this as an increasing likelihood, given reserves stand at just 75 days of import cover, and newly installed BCT governor Marouane el-Abassi said in March that the bank could not protect the dinar 'even if it wanted to.' As such, we envisage a further 75bps of hikes over the remainder of the year, which will hamper private sector activity.

Headline Real GDP growth, % y/y



Source: Haver Analytics, Emirates NBD Research

Government debt, % GDP



Source: Haver Analytics, Emirates NBD Research

CPI inflation, % y/y



Source: Haver Analytics, Emirates NBD Research

UAE

Downside risks to 2018 growth forecast

At the start of this year, we were optimistic about growth prospects in the UAE for several reasons: OPEC oil production cuts were in the base and we expected output to rise from GCC oil producers; higher oil prices would provide more room for increased government spending, which in turn would support faster expansion in the non-oil sectors of the economy.

At the end of the first quarter of 2018, there is little evidence of higher oil production or faster non-oil sector growth, despite a higher than forecast oil price.

While the UAE's crude oil production did increase by 60,000 bpd in March, average Q1 2018 production declined nearly 2% from Q4 2017 and remained below the OPEC agreed target. This high level of compliance is a little surprising given the below-target production in Venezuela, Angola and Algeria and downside risks to Iran's oil production going forward. While we recognize that it is still early in the year, and we may yet see increased oil production from GCC producers in H2 2018, our 1.8% oil sector growth forecast for 2018 currently looks optimistic.

PMI surveys indicate solid non-oil sector growth

Our forecast for non-oil GDP growth in the UAE in 2018 is 4.0%, up from an estimated 3.8% in 2017 (official GDP statistics for last year have yet to be released). The headline PMI for the UAE averaged 55.6 in Q1 2018, about half a point lower than the average PMI for 2017 and -1.3 points lower than Q4 2017. We were expecting some weakness in the PMI surveys at the start of this year due to the impact of VAT, but the growth momentum appeared to slow through March, rather than accelerate. The March PMI reading was the lowest since May 2017.

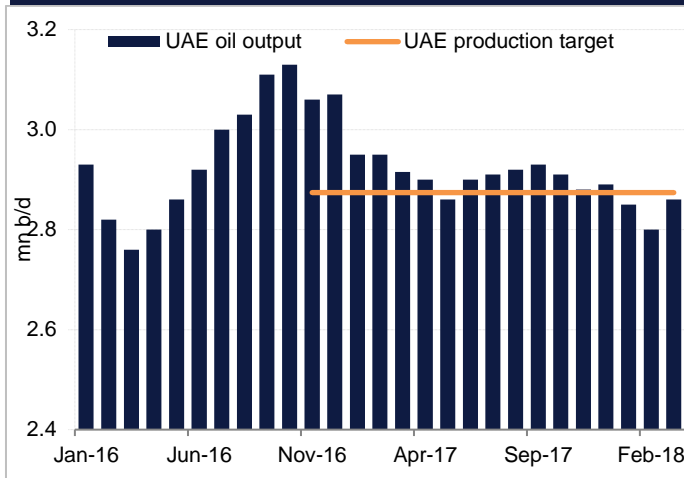
Again, it is possible that economic activity accelerates through the rest of the year, but at the end of the first quarter, and as we head into Ramadan and the summer, the risks to our non-oil sector growth forecast appears skewed to the downside.

VAT squeezes margins further

Selling prices in the UAE's non-oil sector have declined on average in 2016 and to a lesser extent in 2017. The output price component of the UAE PMI showed a modest increase in January (51.9) before resuming its decline in February and March. This suggests that not all firms in all sectors passed on the full impact of the 5% VAT which came into effect in January.

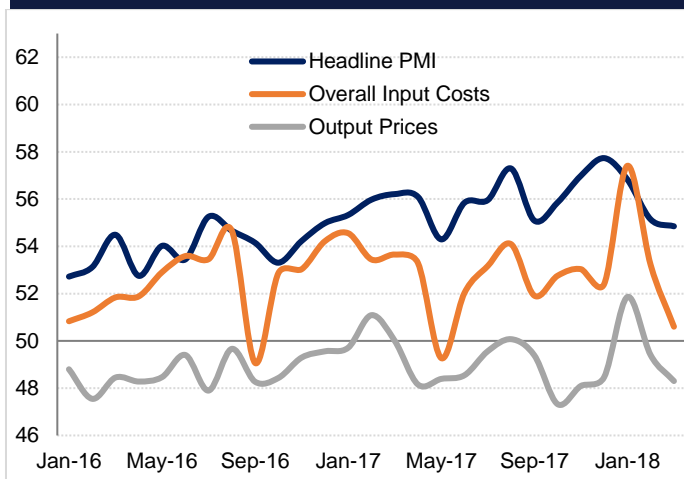
However, the majority of firms reported sharply higher input costs in January, as a result of the VAT. The 'overall input price' component of the PMI survey rose to 57.4, the highest reading since November 2011 before easing in subsequent months. This suggests that a high proportion of firms have absorbed, at least partly, the impact of VAT.

UAE Oil production and OPEC target



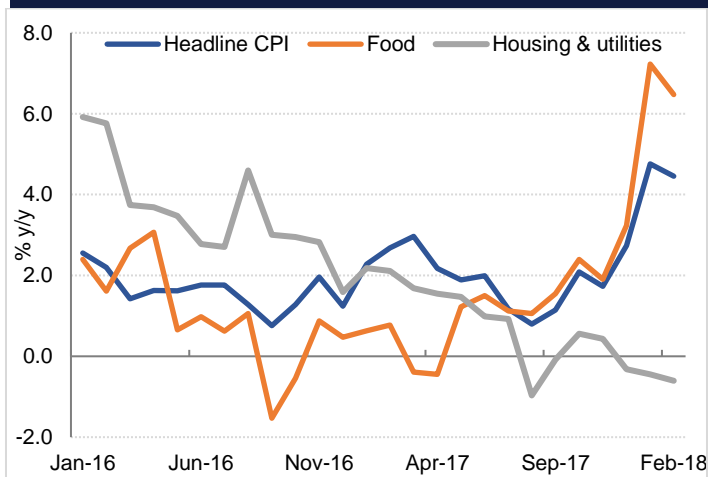
Source: Bloomberg, Emirates NBD Research

Emirates NBD UAE PMI



Source: IHS Markit, Emirates NBD

Inflation



Source: Haver Analytics, Emirates NBD Research

UAE - Dubai

Dubai Economy Tracker averages 55.7 in Q1

The Dubai Economy Tracker indicates solid expansion in the economy in Q1 2018, at a similar rate to Q4 2017. Output and new order growth remain strong but firms' margins continue to be squeezed and there is not much in the way of job growth.

The sector surveys show that while wholesale & retail trade and & tourism sectors have sustained robust expansion, momentum in the construction sector has slowed after a strong start to the year. The construction sector index fell from 55.2 in January to 53.2 in March, and the average index for Q1 was lowest since Q2 2017. This is particularly surprising given the optimism at the start of the year around infrastructure projects and those related to Expo 2020, as well as the increased budget allocation for these projects in Dubai's 2018 budget.

In April, Sheikh Mohammed instructed that new measures be taken to boost economic activity and growth in the emirate, focusing on reducing administrative and operational costs for businesses, allocating a portion of government tenders awarded to SMEs, encouraging investment in the technology sector and initiatives to boost tourism.

Hotel occupancy remains high in Jan-Feb 2018

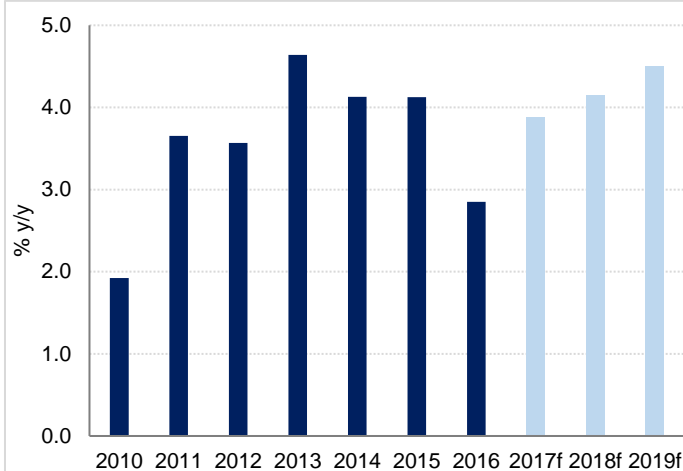
Data from STR Global showed average hotel occupancy at 86.1% in the first two months of 2018, similar to the level seen in the same period last year. However, revenue per available room (RevPAR) declined -3.3% to average USD 184 in Jan-Feb 2018.

Real estate prices down -30% since 2014 peak.

Residential real estate prices accelerated their decline in Q1 2018, albeit on low volumes. The composite Phidar Advisory price index (80% freehold apartments and 20% freehold villas in selected communities) declined -7.0% y/y in March. The average decline in Q1 2018 was -7.2% y/y compared with -5.4% y/y in Q4 2017. Since the Q2 2014 peak, prices of properties in the sampled freehold communities have declined -30%.

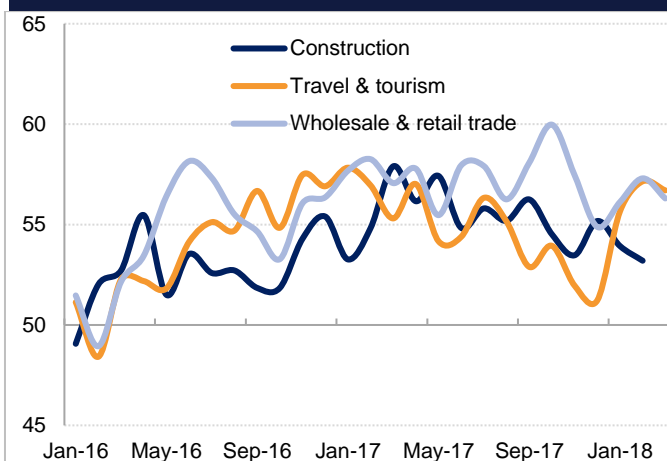
However, apartments (-6.2% y/y in Q1) fared better than villas (-11.3% y/y) and lower priced units fared better than the more expensive properties. Gross residential rents declined -9.0% y/y for apartments, putting some pressure on yields, while villa rents declined -10.1% y/y in Q1 2018.

Dubai GDP growth



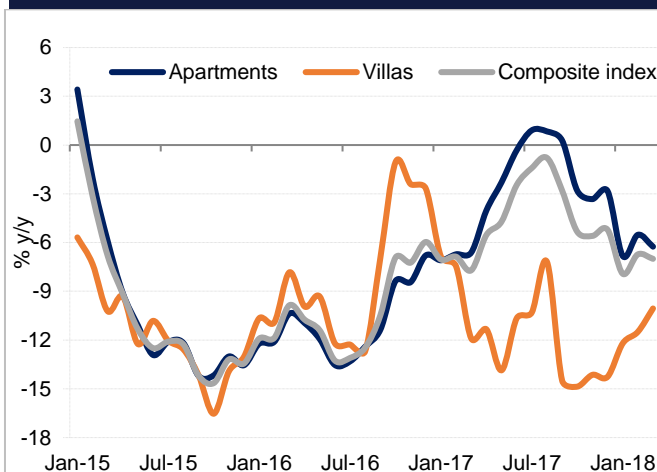
Source: Haver Analytics, Emirates NBD Research

DET survey components



Source: IHS Markit, Emirates NBD Research

Residential real estate sales prices



Source: Phidar Advisory, Emirates NBD Research

Key Economic Forecasts: Algeria

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (DZD bn)	16702	17407	18399	19591	20700
Nominal GDP (USD bn)	166.4	159.1	165.9	166.9	169.0
GDP per capita (USD)	4174	3918	4015	3973	3959
Real GDP Growth (% y/y)	3.7	3.3	1.8	2.4	2.1
Monetary Indicators (% y/y)					
CPI (average)	4.4	5.8	6.0	5.4	5.8
External Accounts (USD bn)					
Exports	38.1	32.7	36.7	44.0	48.4
Imports	63.7	60.2	60.2	63.2	66.4
Trade balance	-25.6	-27.5	-23.6	-19.2	-18.0
% GDP	-12.1	-12.8	-14.2	-12.1	-10.8
Current account balance	-27.3	-26.2	-22.6	-18.2	-16.9
% GDP	-12.9	-12.3	-13.6	-11.5	-10.2
Fiscal Indicators (DZDbn)					
Revenue	5105	5042	5514	6794	7400
Expenditure	7656	7384	7384	8492	8916
Budget Balance	-2551	-2342	-1870	-1698	-1516
% GDP	-15.3	-13.5	-10.2	-8.7	-7.3

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Bahrain

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (BHD bn)	11.7	12.1	13.3	14.3	15.0
Nominal GDP (USD bn)	31.1	32.2	35.3	37.9	40.0
GDP per capita (USD)	22720	22579	24308	25597	26485
Real GDP Growth (% y/y)	2.9	3.2	3.9	3.4	3.6
Monetary Indicators (% y/y)					
M2	2.9	1.2	4.5	5.9	6.6
Private sector credit	7.6	1.5	3.0	3.5	4.0
CPI (average)	1.8	2.8	1.4	2.5	3.0
External Accounts (USD bn)					
Exports	16.5	12.8	13.9	16.0	16.3
Of which: hydrocarbons	7.7	6.1	6.9	7.5	7.4
Imports	15.7	13.6	14.3	15.0	15.2
Trade balance	0.8	-0.8	-0.4	1.1	1.2
% GDP	2.7	-2.5	-1.0	2.9	2.9
Current account balance	-0.8	-1.5	-1.7	-0.6	3.0
% GDP	-2.4	-4.6	-4.7	-1.6	7.4
Fiscal Indicators (% GDP)					
Budget balance	-13.0	-13.5	-11.4	-10.7	-9.7
Revenue	17.4	15.7	16.5	16.6	16.2
Expenditure	30.4	29.2	27.9	27.3	25.9

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Egypt

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (EGP bn)	2443.9	2709.4	3399.6	4223.7	5011.6
Nominal GDP (USD bn)	332.6	332.4	189.9	243.1	290.5
GDP per capita (USD)	3635	3554	1987	2489	2910
Real GDP Growth (% y/y)	4.4	4.3	4.2	5.2	5.5
Monetary Indicators (% y/y)					
M2	16.4	18.6	39.3	20.2	17.5
CPI (average)	10.4	13.7	29.6	15.0	12.0
External Accounts (USD bn)					
Exports	-39.1	-38.7	-36.6	-38.3	-39.6
Imports	13.4	13.0	15.1	17.4	19.2
Trade Balance	-52.4	-51.7	-51.7	-55.7	-58.8
% of GDP	-15.8	-15.6	-27.2	-22.9	-20.2
Current Account Balance	-12.1	-19.8	-15.3	-9.2	-9.2
% of GDP	-3.7	-6.0	-6.9	-3.9	-3.1
Reserves	20.0	23.0	30.0	35.0	40.0
Public Finances					
Revenue (EGP bn)	-38029	-40035	-24451	-22241	-25016
Expenditure (EGP bn)	733350	804704	1025109	1167135	1246473
Balance*	-279430	-326355	-372758	-400337	-425268
% of GDP	-11.43	-12.05	-10.96	-9.48	-8.49
Central Government Debt (EGP mn)	1871332	2285644	2685898	3500000	4000000
% of GDP	76.6	84.4	79.0	82.9	79.8

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Iran

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (IRR tn)	11128	12823	14687	16825	19331
Nominal GDP (USD bn)	419.6	441.8	442.3	442.3	454.8
GDP per capita (USD)	5266	5436	5378	5314	5400
Real GDP Growth (% y/y)	-1.4	12.4	4.4	4.1	4.9
Monetary Indicators (% y/y)					
CPI (average)	15.8	8.7	10.0	10.5	10.0
External Accounts (USD bn)					
Exports	62995	83978	95446	101770	109315
Imports	57641	63135	69449	77782	83227
Trade balance	5354	20843	25997	23988	26088
% GDP	1.3	4.7	5.9	5.4	5.7
Current account balance	1237	16388	21526	19456	21497
% GDP	0.3	3.7	4.9	4.4	4.7
Fiscal Indicators (IRRbn)					
Revenue	1123700	1459900	1751880	2049700	2316161
Expenditure	1716600	2070200	2484240	2658137	2870788
Budget Balance	-592900	-610300	-732360	-608437	-554627
% GDP	-5.3	-4.8	-5.0	-3.6	-2.9

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Iraq

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (IQD tn)	195713	189145	215970	248936	281516
Nominal GDP (USD bn)	164.2	165.2	184.6	212.8	240.6
GDP per capita (USD)	4325	4214	4575	5126	5637
Real GDP Growth (% y/y)	4.0	11.0	-0.3	2.4	4.3
Monetary Indicators (% y/y)					
CPI (average)	1.2	1.3	0.9	2.0	3.0
External Accounts (USD bn)					
Exports	43441.5	39836.6	40633.3	45103.0	50515.4
Imports	33188.2	30839.7	30839.7	33923.7	37655.3
Trade balance	10253.3	8996.9	9793.6	11179.3	12860.1
% GDP	6.2	3.9	4.0	4.0	4.0
Current account balance	4121.3	3365.1	3076.8	3136.3	3179.9
% GDP	2.5	1.4	1.3	1.1	1.0
Fiscal Indicators (IQDbn)					
Revenue	63500	55500	72150	82251	84718.5
Expenditure	89000	82860	93400	103740	108067
Budget Balance	-25500	-27360	-21250	-21489	-23348
% GDP	-13.0	-14.5	-9.8	-8.6	-8.3

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Jordan

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (JOD bn)	26.6	27.4	28.6	29.6	30.6
Nominal GDP (USD bn)	37.5	38.7	40.3	41.7	43.2
GDP per capita (USD)	5509	4949	4578	4633	4685
Real GDP Growth (% y/y)	2.4	2.0	2.1	2.6	2.6
Monetary Indicators (% y/y)					
M2	7.0	5.1	-2.4	11.0	10.0
CPI (average)	-0.9	-0.8	3.3	3.9	3.8
External Accounts (USD bn)					
Exports	7.8	7.5	7.5	8.0	8.5
Imports	18.2	17.1	18.1	18.8	19.6
Trade Balance	-10.3	-9.6	-10.7	-10.9	-11.1
% of GDP	-27.5	-24.8	-26.4	-26.0	-25.8
Current Account Balance	-3.4	-3.7	-4.3	-4.3	-4.2
% of GDP	-9.1	-9.5	-10.5	-10.4	-9.7
Reserves	16.5	15.7	16.0	16.8	18.0
Public Finances					
Revenue (JOD mn)	6796.2	7069.5	7425.4	7892.0	8553.9
Expenditure (JOD mn)	7722.9	7948.2	8173.2	8510.7	9065.9
Balance	-926.7	-878.7	-747.7	-618.7	-512.0
% of GDP	-3.4	-3.2	-2.7	-2.2	-1.9
Central Government Debt (JOD mn)	23237.2	23238.2	23239.2	23240.2	23241.2
% of GDP	89.8	93.5	84.4	85.0	82.0

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Kuwait

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (KWD bn)	34.5	33.5	36.4	38.2	41.5
Nominal GDP (USD bn)	114.6	110.9	120.1	125.3	138.3
GDP per capita (USD)	28861	27112	28510	28875	30934
Real GDP Growth (% y/y)	0.6	3.5	-2.9	2.9	3.2
Hydrocarbon	-0.7	3.3	-8.4	2.0	3.0
Non-hydrocarbon	2.4	3.8	4.6	4.0	3.5
Monetary Indicators (% y/y)					
M3	1.7	3.6	3.8	6.0	7.0
Private sector credit	7.9	2.5	2.8	5.5	6.5
CPI (average)	3.3	3.2	1.6	2.0	3.5
External Accounts (USD bn)					
Exports	54.5	46.5	55.2	56.5	58.5
Of which: hydrocarbons	48.5	41.5	49.3	50.5	52.5
Imports	26.5	26.4	29.5	30.5	31.5
Trade balance	27.9	20.1	25.6	26.0	27.0
% GDP	24.4	18.1	21.4	20.8	19.5
Current account balance	4.0	-5.0	7.6	3.0	2.0
% GDP	3.5	-4.5	6.3	2.4	1.4
Fiscal Indicators (% GDP)					
Budget balance	-13.1	-13.5	-8.7	-8.1	-5.0
Revenue	38.6	38.3	50.7	52.2	50.4
Expenditure	51.7	51.7	59.4	60.3	55.4

Source: Haver Analytics, IMF, Emirates NBD Research

Key Economic Forecasts: Lebanon

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (LBP bn)	74560	76065	82434	88812	95921
Nominal GDP (USD bn)	50.1	51.1	57.8	63.4	68.5
GDP per capita (USD)	11424	11614	13027	14202	15253
Real GDP Growth (% y/y)	0.8	1.0	1.6	1.8	2.4
Monetary Indicators (% y/y)					
M2	7.3	5.3	5.0	10.0	10.0
CPI (average)	-3.8	-0.8	4.5	4.3	4.0
External Accounts (USD bn)					
Exports	4.0	3.9	4.1	4.7	5.5
Imports	17.1	17.6	17.9	20.1	22.1
Trade Balance	-13.1	-13.6	-13.8	-15.3	-16.6
% of GDP	-26.1	-26.6	-23.9	-24.2	-24.2
Current Account Balance	-8.1	-9.9	-11.6	-12.9	-13.8
% of GDP	-16.2	-19.3	-20.0	-20.3	-20.1
Reserves	30.6	35.2	38.7	40.6	43.1
Public Finances					
Revenue (LBP bn)	14435	14959	17524	13840	13916
Expenditure (LBP bn)	2127	22412	23186	20912	21192
Balance	12308	-7453	-5662	-7072	-7276
% of GDP	-8.0	-9.8	-6.9	-6.5	-5.8
Central Government Debt (LBP bn)	106015	112911	119876	138547	146460
% of GDP	140.2	141.6	139.4	149.9	147.4

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Libya

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (LYD tn)	52	60	88	119	142
Nominal GDP (USD bn)	34.4	43.6	63.3	89.6	111.6
GDP per capita (USD)	5446	6909	10025	12240	13412
Real GDP Growth (% y/y)	-0.1	-6.9	34.8	27.3	9.7
Monetary Indicators (% y/y)					
CPI (average)	9.5	9.5	25.0	11.5	10.0
External Accounts (USD bn)					
Exports	35.8	39.4	43.4	48.1	53.9
Imports	32.0	36.8	42.3	48.6	55.9
Trade balance	3.9	2.7	1.1	-0.5	-2.0
% GDP	11.2	6.1	1.7	-0.6	-1.8
Current account balance	-3.2	-4.4	-6.0	-7.6	-9.1
% GDP	-9.4	-11.0	-11.1	-12.0	-12.2
Fiscal Indicators (LYDmn)					
Revenue	45906.4	46333.4	53345.3	63941.9	76687.6
Expenditure	57137.2	57137.2	62727.2	68888.8	82425.7
Budget Balance	-11231	-10804	-9381.9	-4946.9	-5738.2
% GDP	-23.6	-19.6	-12.3	-5.4	-5.3

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Morocco

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (MAD bn)	988.0	1016.1	1064.9	1117.0	1190.6
Nominal GDP (USD bn)	101.3	103.6	115.1	120.8	128.7
GDP per capita (USD)	2948	2960	3243	3354	3527
Real GDP Growth (% y/y)	4.5	1.2	4.0	2.7	3.6
Monetary Indicators (% y/y)					
M2	7.0	7.0	6.0	6.0	7.0
CPI (average)	1.6	1.6	0.8	2.2	3.0
External Accounts (USD bn)					
Exports	18.6	16.7	16.8	18.4	19.9
Imports	33.4	32.4	30.9	33.1	35.7
Trade Balance	-14.7	-15.7	-14.2	-14.7	-15.8
% of GDP	-1.5	-1.5	-1.3	-1.3	-1.3
Current Account Balance	-2.2	-4.0	-3.1	-2.5	-2.5
% of GDP	-1.9	-3.9	-2.7	-2.1	-1.9
Reserves	22.9	25.4	25.8	27.0	28.0
Public Finances					
Revenue (MAD mn)	207446	214149	214149	233004	255863
Expenditure (MAD mn)	207320	203621	203621	215480	230195
Balance*	-44641	-42316	-42316	-35759	-31709
% of GDP	-4.5	-4.2	-4.0	-3.2	-2.7
Central Government Debt (MAD mn)	629	657	690	725	761
% of GDP	63.7	64.8	69.9	73.4	77.0

Source: Haver Analytics, Emirates NBD Research

Note: * includes balance of treasury accounts and minus investments

Key Economic Forecasts: Oman

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (OMR bn)	26.5	25.7	28.5	30.6	32.4
Nominal GDP (USD bn)	68.8	66.7	74.0	79.5	84.2
GDP per capita (USD)	16546	15120	16431	17304	17966
Real GDP Growth (% y/y)	4.7	5.4	1.0	2.8	3.2
Monetary Indicators (% y/y)					
M2	10.0	1.8	4.2	4.8	6.2
Private sector credit	13.9	9.9	6.4	5.0	6.0
CPI (average)	0.1	1.1	1.6	2.0	3.0
External Accounts (USD bn)					
Exports	35.7	27.6	36.7	39.5	39.9
Of which: hydrocarbons	21.2	16.0	20.6	23.5	23.9
Imports	26.6	21.3	21.7	22.4	23.1
Trade balance	9.1	6.3	15.0	17.1	16.8
% GDP	13.3	9.4	20.3	21.5	19.9
Current account balance	-11.0	-12.3	-6.2	-3.4	-3.7
% GDP	-15.9	-18.5	-8.4	-4.3	-4.4
Fiscal Indicators (% GDP)					
Budget balance	-17.5	-20.6	-12.3	-9.8	-6.5
Revenue	34.2	29.6	28.0	32.1	34.5
Expenditure	51.7	50.2	40.3	41.9	41.0

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Qatar

National Income	2015	2016	2017	2018f	2019f
Nominal GDP (QAR bn)	599.3	555.0	601.8	653.1	707.3
Nominal GDP (USD bn)	164.6	152.5	165.3	179.4	194.3
GDP per capita (USD)	68208	59310	61541	65804	70209
Real GDP Growth (% y/y)	3.3	2.0	1.2	3.4	3.7
Hydrocarbon	-0.5	-1.0	-1.1	1.0	0.0
Non- hydrocarbon	8.2	5.6	4.2	5.0	7.0
Monetary Indicators (% y/y)					
M2	3.4	-4.6	21.3	7.0	9.0
Private sector credit	19.7	6.5	6.4	7.0	9.0
CPI (average)	1.9	2.7	0.4	1.5	2.0
External Accounts (USD bn)					
Exports	48.8	25.4	36.7	83.1	83.0
Of which: hydrocarbons	10.5	11.5	11.3	13.2	13.3
Imports	28.5	31.9	30.8	32.9	35.2
Trade balance	20.3	-6.6	6.0	50.2	47.8
% GDP	12.3	-4.3	3.6	28.0	24.6
Current account balance	13.8	-8.3	6.4	6.5	12.4
% GDP	8.4	-5.4	3.9	3.6	6.4
Fiscal Indicators (% GDP)					
Budget balance	-1.9	-9.0	-4.9	-3.8	-3.0
Revenue	36.6	29.0	27.9	27.2	26.7
Expenditure	38.4	38.0	32.8	31.0	29.7

Source: Haver Analytics, IMF, Emirates NBD Research

Key Economic Forecasts: Saudi Arabia

National Income	2015	2016	2017	2018f	2019f
Nominal GDP (SAR bn)	2454	2419	2566	2744	2899
Nominal GDP (USD bn)	654	645	684	732	773
GDP per capita (USD)	20557	19693	20322	21736	22966
Real GDP Growth (% y/y)	4.1	1.7	-0.7	2.5	3.0
Hydrocarbon	5.3	3.6	-3.0	1.5	1.2
Non- hydrocarbon	3.2	0.2	1.0	3.3	4.3
Monetary Indicators (% y/y)					
M2	2.5	0.8	0.2	6.0	7.3
Private sector credit	9.2	2.4	-0.8	6.0	7.5
CPI (average)	2.2	3.5	-0.2	3.5	3.0
External Accounts (USD bn)					
Exports	203.5	183.6	221.1	244.2	250.6
Of which: hydrocarbons	153.0	136.2	161.6	189.2	194.6
Imports	159.3	127.8	119.3	122.3	125.4
Trade balance	44.3	55.8	101.7	121.9	125.3
% GDP	6.8	8.6	14.9	16.7	16.2
Current account balance	-56.7	-23.8	15.2	37.7	37.5
% GDP	-8.7	-3.7	2.2	5.1	4.9
SAMA's Net foreign Assets	608.9	528.6	488.9		
Fiscal Indicators (% GDP)					
Budget balance	-15.0	-13.6	-9.0	-7.5	-6.3
Revenue	25.1	21.4	27.3	30.7	29.9
Expenditure	40.0	35.0	36.4	38.2	36.2
Public debt	5.8	13.1	17.1	20.5	

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Tunisia

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (TND bn)	84.4	89.6	94.4	101.3	109.2
Nominal GDP (USD bn)	43.0	41.7	39.0	40.0	41.2
GDP per capita (USD)	4249	3911	3791	3547	3637
Real GDP Growth (% y/y)	1.1	1.0	1.7	2.0	2.9
Monetary Indicators (% y/y)					
M2	5.2	8.2	10.6	8.0	8.0
CPI (average)	4.9	3.7	5.3	6.9	6.8
External Accounts (USD bn)					
Exports	14.1	13.6	14.2	15.2	16.3
Imports	19.1	18.4	19.5	20.5	21.6
Trade Balance	-5.0	-4.8	-5.3	-5.3	-5.3
% of GDP	-11.7	-11.5	-13.6	-13.3	-12.8
Current Account Balance	-3.9	-3.7	-4.2	-3.8	-3.6
% of GDP	-8.9	-8.9	-10.7	-9.5	-8.7
Reserves	7.4	6.0	5.6	5.0	5.0
Public Finances					
Revenue (TND mn)	20186	21245	23891	25803	28125
Expenditure (TND bn)	23893	26099	29546	31082	33569
Balance*	-3707	-4854	-5654	-5279	-5444
% of GDP	-4.8	-6.2	-6.3	-5.4	-5.2
Central Government Debt (TND mn)	46922	55916	68074	78285	82199
% of GDP	55.4	61.9	69.9	77.3	81.2

Source: Haver Analytics, Emirates NBD Research

Note: * does not include privatizations fees and grants

Key Economic Forecasts: UAE

National Income	2015	2016	2017e	2018f	2019f
Nominal GDP (AED bn)	1314.6	1280.8	1369.6	1474.5	1559.0
Nominal GDP (USD bn)	358.2	349.0	373.2	401.8	424.8
GDP per capita (USD)	37759	35036	35683	36586	36841
Real GDP Growth* (% y/y)	3.8	3.0	2.0	3.4	3.8
Hydrocarbon	5.4	3.8	-2.0	1.8	2.0
Non-hydrocarbon	3.2	2.7	3.8	4.0	4.5
Monetary Indicators (% y/y)					
M2	5.5	3.3	3.0	6.9	6.8
Private sector credit	9.0	3.7	0.3	3.0	5.0
CPI (average)	4.1	1.6	2.0	3.5	3.0
External Accounts (USD bn)					
Exports	300.5	291.6	315.3	334.7	344.0
Of which: hydrocarbons	61.5	50.9	61.2	67.1	68.9
Imports	223.9	226.6	241.0	253.8	259.7
Trade balance	76.6	65.0	74.3	80.9	84.3
% GDP	21.4	18.6	19.9	20.1	19.8
Current account balance	16.7	8.5	13.9	17.7	18.7
% GDP	4.7	2.4	3.7	4.4	4.4
Fiscal Indicators (% GDP)					
Consolidated budget balance	-3.4	-4.3	-2.7	-0.7	1.3
Revenue	29.0	28.3	28.2	28.8	29.6
Expenditure	32.4	32.6	30.9	29.5	28.3

Source: Haver Analytics, IMF, National sources, Emirates NBD Research

Disclaimer

PLEASE READ THE FOLLOWING TERMS AND CONDITIONS OF ACCESS FOR THE PUBLICATION BEFORE THE USE THEREOF. By continuing to access and use the publication, you signify you accept these terms and conditions. Emirates NBD reserves the right to amend, remove, or add to the publication and Disclaimer at any time. Such modifications shall be effective immediately. Accordingly, please continue to review this Disclaimer whenever accessing, or using the publication. Your access of, and use of the publication, after modifications to the Disclaimer will constitute your acceptance of the terms and conditions of use of the publication, as modified. If, at any time, you do not wish to accept the content of this Disclaimer, you may not access, or use the publication. Any terms and conditions proposed by you which are in addition to or which conflict with this Disclaimer are expressly rejected by Emirates NBD and shall be of no force or effect. Information contained herein is believed by Emirates NBD to be accurate and true but Emirates NBD expresses no representation or warranty of such accuracy and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in the publication. The publication is provided for informational uses only and is not intended for trading purposes. Charts, graphs and related data/information provided herein are intended to serve for illustrative purposes. The data/information contained in the publication is not designed to initiate or conclude any transaction. In addition, the data/information contained in the publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. The publication may include data/information taken from stock exchanges and other sources from around the world and Emirates NBD does not guarantee the sequence, accuracy, completeness, or timeliness of information contained in the publication provided thereto by or obtained from unaffiliated third parties. Moreover, the provision of certain data/information in the publication may be subject to the terms and conditions of other agreements to which Emirates NBD is a party.

None of the content in the publication constitutes a solicitation, offer or recommendation by Emirates NBD to buy or sell any security, or represents the provision by Emirates NBD of investment advice or services regarding the profitability or suitability of any security or investment. Moreover, the content of the publication should not be considered legal, tax, accounting advice. The publication is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. Accordingly, anything to the contrary herein set forth notwithstanding, Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries shall not, directly or indirectly, be liable, in any way, to you or any other person for any: (a) inaccuracies or errors in or omissions from the publication including, but not limited to, quotes and financial data; (b) loss or damage arising from the use of the publication, including, but not limited to any investment decision occasioned thereby. (c) UNDER NO CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, SHALL EMIRATES NBD, ITS SUPPLIERS, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS, ASSIGNS, AFFILIATES OR SUBSIDIARIES BE LIABLE TO YOU FOR DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES EVEN IF EMIRATES NBD HAS BEEN ADVISED SPECIFICALLY OF THE POSSIBILITY OF SUCH DAMAGES, ARISING FROM THE USE OF THE PUBLICATION, INCLUDING BUT NOT LIMITED TO, LOSS OF REVENUE, OPPORTUNITY, OR ANTICIPATED PROFITS OR LOST BUSINESS. The information contained in the publication does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in the publication. Further, references to any financial instrument or investment product is not intended to imply that an actual trading market exists for such instrument or product. In publishing this document Emirates NBD is not acting in the capacity of a fiduciary or financial advisor.

Emirates NBD and its group entities (together and separately, "Emirates NBD") does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its reports. As a result, recipients of this report should be aware that any or all of the foregoing services may at times give rise to a conflict of interest that could affect the objectivity of this report.

The securities covered by this report may not be suitable for all types of investors. The report does not take into account the investment objectives, financial situations and specific needs of recipients.

Data included in the publication may rely on models that do not reflect or take into account all potentially significant factors such as market risk, liquidity risk and credit risk. Emirates NBD may use different models, make valuation adjustments, or use different methodologies when determining prices at which Emirates NBD is willing to trade financial instruments and/or when valuing its own inventory positions for its books and records. In receiving the publication, you acknowledge and agree that there are risks associated with investment activities. Moreover, you acknowledge in receiving the publication that the responsibility to obtain and carefully read and understand the content of documents relating to any investment activity described in the publication and to seek separate, independent financial advice if required to assess whether a particular investment activity described herein is suitable, lies exclusively with you. You acknowledge and agree that past investment performance is not indicative of the future performance results of any investment and that the information contained herein is not to be used as an indication for the future performance of any investment activity. You acknowledge that the publication has been developed, compiled, prepared, revised, selected, and arranged by Emirates NBD and others (including certain other information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort, and money and constitutes valuable intellectual property of Emirates NBD and such others. All present and future rights in and to trade secrets, patents, copyrights, trademarks, service marks, know-how, and other proprietary rights of any type under the laws of any governmental authority, domestic or foreign, shall, as between you and Emirates NBD, at all times be and remain the sole and exclusive property of Emirates NBD and/or other lawful parties. Except as specifically permitted in writing, you acknowledge and agree that you may not copy or make any use of the content of the publication or any portion thereof. Except as specifically permitted in writing, you shall not use the intellectual property rights connected with the publication, or the names of any individual participant in, or contributor to, the content of the publication, or any variations or derivatives thereof, for any purpose.

YOU AGREE TO USE THE PUBLICATION SOLELY FOR YOUR OWN NONCOMMERCIAL USE AND BENEFIT, AND NOT FOR RESALE OR OTHER TRANSFER OR DISPOSITION TO, OR USE BY OR FOR THE BENEFIT OF, ANY OTHER PERSON OR ENTITY. YOU AGREE NOT TO USE, TRANSFER, DISTRIBUTE, OR DISPOSE OF ANY DATA/INFORMATION CONTAINED IN THE PUBLICATION IN ANY MANNER THAT COULD COMPETE WITH THE BUSINESS INTERESTS OF EMIRATES NBD. YOU MAY NOT COPY, REPRODUCE, PUBLISH, DISPLAY, MODIFY, OR CREATE DERIVATIVE WORKS FROM ANY DATA/INFORMATION CONTAINED IN THE PUBLICATION. YOU MAY NOT OFFER ANY PART OF THE PUBLICATION FOR SALE OR DISTRIBUTE IT OVER ANY MEDIUM WITHOUT THE PRIOR WRITTEN CONSENT OF EMIRATES NBD. THE DATA/INFORMATION CONTAINED IN THE PUBLICATION MAY NOT BE USED TO CONSTRUCT A DATABASE OF ANY KIND. YOU MAY NOT USE THE DATA/INFORMATION IN THE PUBLICATION IN ANY WAY TO IMPROVE THE QUALITY OF ANY DATA SOLD OR CONTRIBUTED TO BY YOU TO ANY THIRD PARTY. FURTHERMORE, YOU MAY NOT USE ANY OF THE TRADEMARKS, TRADE NAMES, SERVICE MARKS, COPYRIGHTS, OR LOGOS OF EMIRATES NBD OR ITS SUBSIDIARIES IN ANY MANNER WHICH CREATES THE IMPRESSION THAT SUCH ITEMS BELONG TO OR ARE ASSOCIATED WITH YOU OR, EXCEPT AS OTHERWISE PROVIDED WITH EMIRATES NBD'S PRIOR WRITTEN CONSENT, AND YOU ACKNOWLEDGE THAT YOU HAVE NO OWNERSHIP RIGHTS IN AND TO ANY OF SUCH ITEMS. MOREOVER YOU AGREE THAT YOUR USE OF THE PUBLICATION IS AT YOUR SOLE RISK AND ACKNOWLEDGE THAT THE PUBLICATION AND ANYTHING CONTAINED HEREIN, IS PROVIDED "AS IS" AND "AS AVAILABLE," AND THAT EMIRATES NBD MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE PUBLICATION, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, NON-INFRINGEMENT, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE OR USE. You agree, at your own expense, to indemnify, defend and hold harmless Emirates NBD, its Suppliers, agents, directors, officers, employees, representatives, successors, and assigns from and against any and all claims, damages, liabilities, costs, and expenses, including reasonable attorneys' and experts' fees, arising out of or in connection with the publication, including, but not limited to: (i) your use of the data contained in the publication or someone using such data on your behalf; (ii) any deletions, additions, insertions or alterations to, or any unauthorized use of, the data contained in the publication or (iii) any misrepresentation or breach of an acknowledgement or agreement made as a result of your receiving the publication.

Emirates NBD Research & Treasury Contact List

Emirates NBD Head Office
12th Floor
Baniyas Road, Deira
P.O.Box 777
Dubai

Jonathan Morris
General Manager Wholesale Banking
JonathanM@emiratesnbd.com

Aazar Ali Khwaja
Senior Executive Vice President
Global Markets & Treasury
+971 4 609 3000
aazark@emiratesnbd.com

Tim Fox
Head of Research &
Chief Economist
+9714 230 7800
timothyf@emiratesnbd.com

Research

Khatija Haque
Head of MENA Research
+9714 230 7803
khatijah@emiratesnbd.com

Anita Yadav
Head of Fixed Income Research
+9714 230 7630
anitay@emiratesnbd.com

Daniel Richards
MENA Economist
+9714 609 3032
danielricha@emiratesnbd.com

Athanasios Tsetsonis
Sector Economist
+9714 230 7629
athanasiost@emiratesnbd.com

Edward Bell
Commodity Analyst
+9714 230 7701
edwardpb@emiratesnbd.com

Mohammed Altajir
FX Analytics and Product Development
+9714 609 3005
mohammedtaj@emiratesnbd.com

Aditya Pugalia
Director, Financial Markets Research
+9714 609 3027
adityap@emiratesnbd.com

Sales & Structuring

Group Head – Treasury Sales
Tariq Chaudhary
+971 4 230 7777
tariqmc@emiratesnbd.com

Saudi Arabia Sales
Numair Attiyah
+966 11 282 5656
numaira@emiratesnbd.com

Singapore Sales
Supriyakumar Sakhalkar
+65 65785 627
supriyakumars@emiratesnbd.com

London Sales
+44 (0) 20 7838 2241
vallancel@emiratesnbd.com

Egypt
Gary Boon
+20 22 726 5040
garyboon@emiratesnbd.com

Emirates NBD Capital

Ahmed Al Qassim
CEO- Emirates NBD Capital
AhmedAQ@emiratesnbd.com

Hitesh Asarpota
Head of Debt Capital Markets.
+971 50 4529515
asarpotah@EmiratesNBD.com

Investor Relations

Patrick Clerkin
+9714 230 7805
patricke@emiratesnbd.com

Group Corporate Affairs

Ibrahim Sowaidan
+9714 609 4113
ibrahims@emiratesnbd.com

Claire Andrea
+9714 609 4143
clairea@emiratesnbd.com