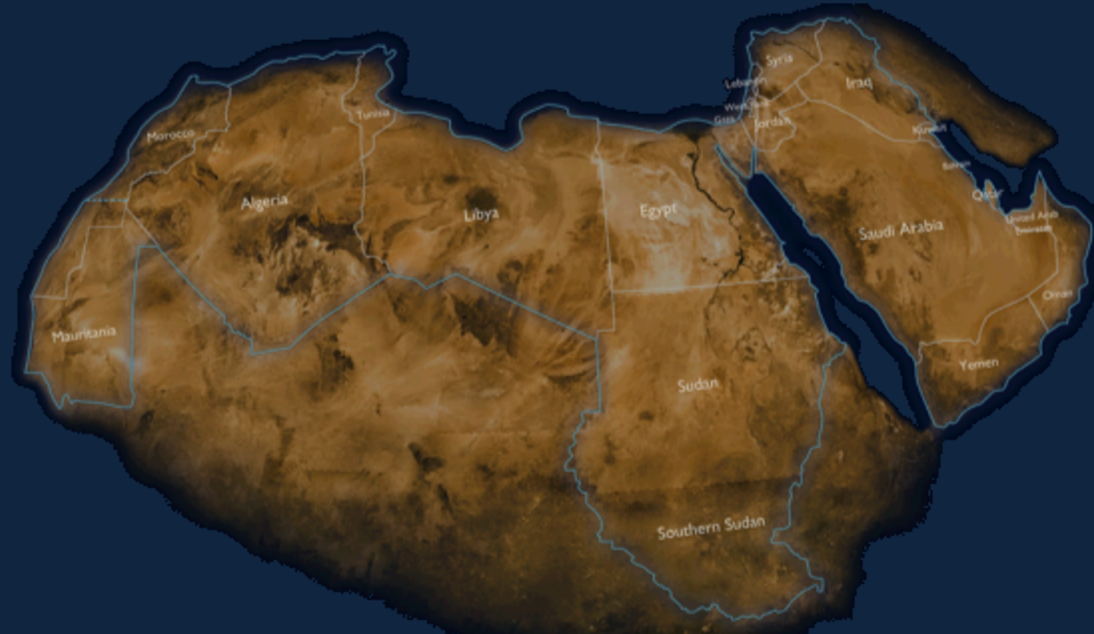


MENA

COVID-19 Situation Report

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COVID-19 Situation Report: GCC (1)

Country	Economic & Fiscal	Health & Travel Related
Bahrain	<p>We do not believe Bahrain will make large cuts to expenditure, given its low, albeit increasing, flexibility. Economic recovery is expected to take at least a year, as 71% of businesses in tourism and hospitality fear closure, as well as 63% in education and 27% in finance and insurance. Exports declined by 16% YoY in May to USD 464M. Overall, Bahrain's GDP shrank by 1.1% YoY in Q1, and non-oil GDP by 1.7% -- the hospitality sector experienced the worst hits, contracting 36%. Bahrain dropped 12 place to 38th globally in the UN e-government development index.</p> <ul style="list-style-type: none"> Slashed spending by ministries and government agencies by 30% Lower rate for internet usage USD 46.1M package aimed at supporting business owners who are not covered by insurance, students from needy families, and the sanitisation of towns Increase monthly allowances to 11,000 orphans and widows by 20% Adding up to USD 470M to the budget to tackle emergency COVID-19 expenses Job losses in the Bahrain Petroleum Company limited to expats MPs are currently debating whether to extend government support to pay private sector wages or introduce a new stimulus package Stimulus measures will be extended - the government will pay 50% of salaries for private sectors in addition to bearing their domestic electricity costs. These measures will cost USD 186M and USD 39M respectively The Labour Market Regulatory Authority will reduce the fees levied on the issuance and renewal of work permits by 50% The government exempted businesses affected by COVID-19 from paying their monthly dues for three months starting 1 July <p>* Bahrain completed a USD 399M Government Development Bond issuance via direct subscription through the primary market</p>	<ul style="list-style-type: none"> Estimated # of Infections to Date: 38,482 (Cases per Million: 23,156) Announced # of Deaths to Date: 141 (Deaths per Million: 83) <ul style="list-style-type: none"> Closed all cinemas, sports centres, gyms, salons Bahrain will allow passengers to transit through its airport although entry into the country will be limited only to citizens Launched a virtual mall to enable shops to continue serving their customers Bahrain's shops and industrial enterprises opened on 7 May, while restaurants remain closed for dine-in customers All non-essential medical services resumed operations Commercial and industrial businesses can resume usual operations Bahrain plans to reopen schools in September Football will resume in August The 25-km long bridge linking Bahrain to Saudi Arabia is expected to reopen on 27 July Starting 21 July, passengers coming to Bahrain must pay USD 80 to undergo a COVID-19 test On 19 July, authorities extended all valid and expired visit visas for an additional three months - from 21 July until 21 October 2020 <p>* Gyms, sports halls, outdoor sports fields and swimming pools will reopen from 6 August</p>
Kuwait	<p>With Kuwait yet to pass a revised debt law authorising the government to borrow, there are questions about how future central government deficits will be financed. As anticipated, further fiscal consolidation measures have been announced, particularly after Kuwaiti Emir Sabah al-Ahmad al-Jaber al-Sabah's public statement regarding the impact of the oil price drop on state finances. Recovery in retail is 61% lower compared to the baseline. The budget crunch is so severe that the deficit could reach 40% of GDP by the end of 2020, and the General Reserve Fund's reserves could be depleted in April 2021, with USD 4.8B lost in the last 38 days. As a result S&P revised Kuwait's outlook to "negative" from "stable", it dropped 5 positions in the UN e-government index to 46th globally.</p> <ul style="list-style-type: none"> The stock exchange resumed suspended operations on 28 June Local banks have provided USD 8.9B worth of credit facilities to businesses under the stimulus package The Ministry of Finance is considering gradually cutting subsidies in order to rescue public finances. Under the proposed plan, taxes on services would increase by 50% The National Assembly approved a draft law proposing a quota for expatriates The government will distribute USD 780M to private sector workers to compensate for the decline in income Visa transfers for expats from the private sector to the government sector has been banned The Educational, Cultural and Guidance Affairs Committee approved a bill allowing up to 50% salary cuts in the private sector Kuwait Oil Company has confirmed a 25% budgetary cut and 18% expense reduction for the 2020/21 fiscal year <p>* The government plans to issue between USD 13-16B in public debt by the end of the fiscal year</p> <p>* To lower spending, Kuwait Petroleum Corporation and its subsidiaries have cancelled tenders and contracts deemed unimportant, mostly affecting expatriate workers</p>	<ul style="list-style-type: none"> Estimated # of Infections to Date: 64,379 (Cases per Million: 15,060) Announced # of Deaths to Date: 438 (Deaths per Million: 102) <ul style="list-style-type: none"> Shopping malls, financial and construction sector, as well as shops and parks are also set to reopen on the 30th, with this phase set to run for three week Commercial flights will resume in August at 30% capacity Phase 2 and 3 will begin in February and August 2021, at 60% and full capacity respectively The lockdown on Mahboula and Jleeb Al-Shuyoukh will be lifted on 9 July The Public Authority for Industry is establishing a six-month stock of protective masks <p>* All government-run hospitals will start providing diagnostic tests free of charge to citizens and residents</p> <p>* Phase 3 of easing restrictions is beginning on 28 July - the curfew will be shortened to 9pm-3am, mosques as well as hotels will reopen, and taxis will be allowed to operate.</p> <p>* Expats stranded overseas will need new visas to return</p> <p>* The government announced new measures for air travel when it resumes in August. These include random testing of passengers, mandatory face masks, as well as providing negative COVID-19 certificates</p>

¹ Arabia Monitor; IMF.

* Updated as of 28 July 2020.

² The UN E-Government Development Index reflects the performance rating of national governments relative to one another. The index is a composite measure of three key dimensions: the provision of online services, telecommunication connectivity and human capacity.

COVID-19 Situation Report: GCC (2)

Country	Economic & Fiscal	Health & Travel Related
Oman	<p>The IMF revised its forecast of 3.7% expansion in 2020 to a 2.8% decline from a mere 0.5% growth in 2019. The sultanate is reeling from low oil prices and will slash its crude production by 23% under the latest round of OPEC+ cuts. Oman's 2020 budget was based on an oil price of USD58 per barrel; on 14 June, the price was USD39.90 per barrel.</p> <ul style="list-style-type: none"> • Tourism and municipality tax breaks and free government storage facilities • Reduced approved liquidity for development budgets by 10% • Froze repayments of personal and housing loans for three months, from May • Oman set up an investment authority to own and manage most of the sovereign wealth fund and finance ministry assets • New USD 779.26M development project to support economic growth • Omani Ministry of Housing issued regulations banning expats from ownership of land and real estate in specified places, with the exception of tourist's complexes • On 14 June, a committee was formed to study the economic impact of the outbreak • Rolling out interest-free emergency loans to support entrepreneurs • Expat population has declined by 40K from March 2020 to 1.6M in May • Hotel revenues dropped by 42% year-to-date • The Government is in talks with international and regional banks for a USD 2B bridge loan • The Central Bank raised USD 145M buy issuing treasury bills • The Tax Authority started to apply a 100% selective tax on alcohol from 1 July • The Bankruptcy Law, which came into effect on 7 July, will provide businesses a framework to attempt restructuring vs termination • The Tax Authority announced the suspension of outstanding fines of 2019 for the non-submission of declarations and accounts along with exempting any additional tax incurred from non-payment of income tax till September 2020 • The Public Authority for Water approved a three-month package to provide financial relief for privately held SMEs in the healthcare, education, tourism, banking and journalism sectors * The Shura Council's economic and finance committee plans to introduce a 5% VAT and to be implemented in 2021. An excise tax on sweetened drinks will be introduced on 1 October 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 77,058 (Cases per Million: 15,065)</i> • <i>Announced # of Deaths to Date: 393 (Deaths per Million: 77)</i> • Closure of schools, public parks, and public gatherings • Will not allow cruise ships to dock at its ports during this period • Friday prayers at mosques suspended • Opened some commercial activities including car servicing, repair and rental, money exchanges, outlets selling electrical and electronic appliances, printing houses and quarries • Ended the lockdown of Muscat governorate on 29 May • At least 50% of employees in government entities can work from offices starting 30 June • The lockdown has ended but restrictions on public gatherings of over 5 people are still in place • Oman Airports revealed they are ready to reopen whenever required • 42 industrial estates have been shut by the Public Establishment for Industrial Estates due to failure to comply with precautions • Oman Air will be operating three flights to London starting from July 15 • Citizens can travel abroad if they agree to quarantine upon return, but no specific dates have been provided * For the next two weeks, authorities will impose a 7pm-6am curfew and travel ban for the upcoming Eid holidays
Qatar	<p>According to IMF forecasts, Qatar will be the only MENA country to post a fiscal budget surplus this year. Risks to the outlook include a delayed global recovery and lower LNG prices. On the UN e-government index, Qatar slipped 15 ranks to 66 globally.</p> <ul style="list-style-type: none"> • Utilities bill exemption for SMEs, rent exemption for 6 months • Fees on points of sale transactions and ATM withdrawals cancelled • Private sector companies to have 80% of their staff work from home, effective 2 April for an initial two weeks. The working day will be reduced to six hours, from 7:00 a.m. to 1:00 p.m., excluding grocery stores, pharmacies and restaurants • Postponed USD 8.2B of unawarded contracts on capital spending projects • Fully opened its industrial area on 6 May • Reduction of costs of non-Qatari employees in government entities by 30% via salary cuts or layoffs • New Public-Private Partnership to support investment in the non-oil sector • Qatar Airways will layoff some pilots and cut salaries by 15-25%, and it will not take delivery of new planes in 2020 or 2021. Qatari citizens are reportedly exempt from wage cuts • The cabinet approved a resolution increasing the percentage of Qataris in state-owned companies or where the state is an investor to 60% ownership * Qatar Airways launched four international investment arbitrations seeking at least USD 5B in compensation from Saudi Arabia, the UAE, Egypt and Bahrain for blocking it from their airspace 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 109,597 (Cases per Million: 39,033)</i> • <i>Announced # of Deaths to Date: 165 (Deaths per Million: 59)</i> • Public transport stopped for 14 days • Parks and public beaches closed till further notice • Qatar Airways expects to reopen routes this month: it hopes to fly to 52 destinations by end-May and up to 80 in June (compared with 165 total destinations previously) • Mosques reopening on 15 June • Reopening of malls and resumption of flights from low-risk nations 1 August • Partial reopening of restaurants, beaches and parks on 1 July • On 1 July, employees in both the public and private sector can work from office at 50% capacity • Face shields were made mandatory for economy passengers in Qatar Airways * The Ministry of Education announced students can return to classrooms at the start of the academic year on 1 September. School staff will resume work on 19 August * Citizens and residents are permitted to travel starting 1 August

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: GCC (3)

Country	Economic & Fiscal	Health & Travel Related
Saudi Arabia	<p>The IMF's economic forecast for Saudi Arabia was revised to a 6.8% contraction from 4.5% decline estimated in April. It compared with 0.3% growth in 2019. The IMF expects Saudi growth to recover by just 0.2% in 2021. The economy shrank by 1% YoY in Q1 due to the fall in oil prices, while the non-oil sector grew by 1.6%. FDI into the country increased to USD 125.25B this year -- its highest since 2007. Saudi Arabia was ranked 43rd globally on the UN e-government index, up from 52nd last year.</p> <ul style="list-style-type: none"> • Raise import duties by between 0.5-15ppts on products ranging from meat, dairy and vegetables to vehicles and building materials • 8% decrease in value of contracts awarded in Saudi Arabia in Q1 • Saudi Industrial Development Fund revealed a USD 1B stimulus package for industrial sector companies. • Saudi Aramco will use cash and debt to pay Q1 dividends • Consumer spending accelerated by 142% in the first week after curfew was lifted • The Ministry of Tourism unveiled a USD 4B tourism development fund • 142 initiatives aimed at supporting the private sector have been extended. So far, USD 57B has been spent on these measures • The scaling back of the Citizen's Account programme resulted in 1.3 million Saudis losing benefits • The Ministry of Finance launched a USD 178M initiative to ease loan instalments, which aims to support 192 companies and employ over 20K Saudis * The Minister of Finance revealed privatisation plans in healthcare and education to broaden the country's revenue base, raising an estimated USD 277M over the next 5 years * The Ministry of Housing is collaborating with 70 real estate developers to build 100k units across several projects 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 268,934 (Cases per Million: 7,717)</i> • <i>Announced # of Deaths to Date: 2,760 (Deaths per Million: 79)</i> • Lifted bans on domestic travel, holding prayers in mosques and workplace attendance in both the government and private sector from this week • Reinstated restrictions in Jeddah for 15 days from 6 Jun • Reopened mosques on 12 June except in Mecca and Jeddah • Professional sports resumed on 21 June • The Hajj pilgrimage will be limited to 1000 domestic pilgrims. It usually attracts 2.5 million annually. • The priority in Hajj pilgrims will be given to those between 20 and 50 years of age, who have no chronic diseases, or have not performed Hajj before, and who have shown negative in a COVID-19 test. • The government will extend the validity of the final exit visas for expats at no charge * Land borders with Kuwait, Bahrain and the UAE opened on 23 July, allowing citizens, family and domestic staff to enter the country
UAE	<p>The UAE economy has been under a weak five years of growth on the back of low oil prices. In the long term to medium term, it will experience anaemic growth for a few quarter/years. The Central Bank of the UAE expects economic recovery to begin in H2 of this year but does not see a significant upturn until mid- to late-2021. The non-oil sector activity PMI strengthened to 50.4 in June from 46.7 in May; the first rise in output since December. Dubai's GDP declined by 3.5% YoY in Q1 2020, but reported a 83% YoY surge in e-commerce business licenses issued this year. The UAE ranked highest among GCC nations in the UN e-government index, at 21st globally.</p> <ul style="list-style-type: none"> • Dubai Customs extended a 20% refund on fees imposed on imported products sold locally in Dubai markets • Licensed businesses can apply to a 20% refund on rent of commercial properties • Emirates and Etihad airlines extended pay cuts until September • Abu Dhabi refunded USD 1.2M to 220 businesses • Abu Dhabi Department of Economic Development announced a new coalition project to support SME enterprises operating in healthcare, information technology and science fields • The UAE Cabinet approved an additional USD 87M budget for national universities • Abu Dhabi postponed retirement subscriptions payments for private sector employers for a further three months • Dubai's government announced the deployment of USD 405M as part of its economic stimulus measures • Dubai's DMCC free zone extended its "Business Support Package" until 31 August • Dubai Financial Market's trading floor and customer affairs counters are now open. • As a result of government support for the tourism sector, hotel occupancy rates in Abu Dhabi edged up by 3% YoY in the first week of July 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 59,177 (Cases per Million: 5,978)</i> • <i>Announced # of Deaths to Date: 345 (Deaths per Million: 35)</i> • Residents can return to the UAE via Dubai starting 22 June • Abu Dhabi travel ban is still in place • Emirates provides connections via Dubai for 40 destination, as 10 cities have been added on 20 June • Schools and universities will reopen in September • Dubai will open to tourists on 7 July • The UAE plans to conduct over 2 million COVID-19 tests in the next two months • The third-phase trial of a COVID-19 vaccine has been approved by the Ethics Committee Scientific Research in Abu Dhabi. There are currently over 15,000 volunteers for testing. The first stage plans to test 5,000 volunteers and is expected to last between 3-6 months * The government waived residents' fines on visas that expired before 1 March, but they have until 17 August to leave the country without a penalty. As for residents stranded abroad, their visas will expire without exception * Mosque capacity will be increased to 50% from the current 30% starting 3 August * The Fujairah, Ras Al Khaimah and Ajman Emirates announced free COVID-19 tests for citizens and residents

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: North Africa (1)

Country	Economic & Fiscal	Health & Travel Related
Algeria	<p>The IMF forecasts GDP to contract by 5.2% in 2020 from growth of 2.4% initially forecast, and down from 0.7% in 2019, especially if oil production does not recover rapidly. The coronavirus and ongoing political uncertainty create a perfect financial and social storm, especially as the country braces for further austerity. On 28 June, President Abdelmadjid Tebboune announced that borders will remain shut for as long as the virus is spreading. This is despite the fact that Algeria is one of the countries whose citizens will be allowed to travel to EU countries starting 1 July.</p> <ul style="list-style-type: none"> Lowered the reserve requirement ratio from 10% to 8%, and its main policy rate by 25 basis points to 3.25% The authorities announced several measures to cut the import bill by at least USD 10B (6% of GDP) Slashed the national budget by 50% Raised minimum wage from 18,000 dinars (USD 140) per month to 20,000 dinars; income tax abolished for those earning 30,000 dinars or less Ending of the paid leave of 50% that was given to state employees in March Ministry of Energy announced a USD3.6 solar field Removal of the 51/49 rule which capped overseas investment in Algerian companies at 49% Air Algérie has reopened its agencies in several Algerian cities, indicating that flights will resume in the coming weeks 	<ul style="list-style-type: none"> <i>Estimated # of Infections to Date: 27,973 (Cases per Million: 637)</i> <i>Announced# of Deaths to Date: 1,163 (Deaths per Million: 26)</i> Postponed high school final exams until September A progressive deconfinement started on 7 June with the opening of clothing stores, food outlets (delivery only) and hairdressing shops (only for men). Construction businesses, travel and real estate agencies resumed on 7 June A second confinement phase started on 14 June by easing the curfew, allowing public transport to resume and reopened female hairdressers and nonessential retail On 27 June, a curfew was reinstated in 29 out of 48 wilayas until at least the 17th of July Car travel is forbidden in the 29 wilayas, 48 provinces, along with public transport until 17 July <i>* State carrier Air Algérie is expected to lose USD 272M this year</i> <i>* Partial lockdown was extended for another 15 days for the 29 concerned wilayas</i>
Egypt	<p>The IMF has revised Egypt growth for 2020 to 2% from 5.5% previously forecast. Although this would keep Egypt in the black, the decline will take a toll on inflation and unemployment. Egypt secured a USD 5.2B standby loan from the IMF to help the country alleviate the economic impact of the COVID-19 pandemic. The one-year stand-by arrangement follows the USD 2.8B in emergency financing from the IMF. Egypt is also seeking USD 4B from other sources. Following the IMF loan, Egypt's currency appreciated vis-à-vis the greenback, and business activity rebounded in June to a 40-month high. However, the country reported a USD 2.36B trade deficit in April, as exports declined by 32% and import values plummeted by 40.1%. Net foreign reserves increased to USD 38.2B in June, as a result of the IMF loan. Foreign investors are returning, with the market attracting USD 592M of investments on 9 July, the largest daily level since the COVID-19 crisis started, following a USD 3B injection of investments in a month.</p> <ul style="list-style-type: none"> Made factories and production facilities fully operational The government increased allocation to the health sector in the 2020-21 budget by 28% YoY to USD 5.8B, and government investment in the sector has increased by 72% overall The government is planning to raise a loan of USD 1B from lenders in the UAE Natural gas consumers in Egypt's industrial sector have been exempted USD 327M in debts owed to the ministry The government has announced a USD 6.2B financing initiative to support SMEs The IMF approved a USD 5.2B 12-month Stand-By Arrangement to support health and social spending in Egypt Egypt will implement a new income tax law, as the basic exemption limit has been raised by 60% The central bank has kept interest rates on hold, as the overnight lending rate President Abdel Fattah al-Sisi approved a 14% rise in pensions starting from 1 July The parliament approved a law to waive late payment interest and penalties on taxes Fuel prices will be kept unchanged for 3 months The Labour Emergency Fund disbursed USD 2.7M to workers hit by the pandemic <i>* A three-month initiative will be launched aimed at supporting the consumption of local products</i> <i>* The Ministry of Finance launched a USD 125.6M insurance fund to stimulate consumption</i> <i>* In order to settle a dispute between taxpayers and the Egyptian Tax Authority, the Central Bank removed the levy on taxpayers' bank account, so long as they pay 1% of the disputed tax value</i> 	<ul style="list-style-type: none"> <i>Estimated # of Infections to Date: 92,482 (Cases per Million: 903)</i> <i>Announced # of Deaths to Date: 4,652 (Deaths per Million: 45)</i> Closed schools and universities EGP 3.8B has been allocated to the healthcare sector Egyptian courts resume work with precautions Hotels reopened to 50 capacity Shopping malls and retail outlets have been allowed to open on weekends until 5 pm, while restaurants are permitted to do deliveries and collections Seaside resorts to reopen for foreigners on 1 July All airports set to open on 1 July International tourists will be permitted in only 3 governorates - the Red Sea, South Sinai and Matrouh On 27 June, the night-time curfew was lifted, and restaurants, cafes and places of worship have reopened with limited capacity. EgyptAir is set to resume flights at no more than 30% capacity to 24 international destinations from the first week of July On 1 July, Egypt welcomed tourists from Ukraine, its first tourist arrivals in Sharm El Sheikh since reopening Since borders have reopened, Egypt has welcomed 10k tourists <i>* The government issued new sanitary measures for post-pandemic life - restaurants will be allowed to operate until midnight at 15% capacity, cinemas will operate at 25% capacity, and shops and malls will close at 1pm</i>

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: North Africa (2)

Country	Economic & Fiscal	Health & Travel Related
Morocco	<p>The IMF expects the economy to contract by 3.7% this year from 2% growth initially forecast in October 2019. On the other hand, low oil prices are good for Morocco, a net importer. We expect financing the balance of payment deficit to prove difficult given an expected slowdown in FDI. Morocco had a 19.7% drop in exports between January and April of this year, with a loss of USD 2B. In Q2, the economy contracted by 13.8%, as the country imposed one of the strictest lockdowns in the region, and it is predicted to further contract by 4.6% in Q3. The High Commission for Planning (HCP) forecast economic growth at 4.4% for 2021, from an expected 5.8% contraction in 2020</p> <ul style="list-style-type: none"> All businesses can defer social contribution payments until 30 June, and companies with turnover lower than 20M dirhams can defer tax payments Special fund set up dedicated to the management of the pandemic, of 2% of GDP Post-crisis facility to support businesses by providing financing to cover working capital needs at subsidised interest rate Sovereign guarantee of 95% for SMEs, for up to 10% of annual turnover Morocco received a loan worth USD 127M from the Arab Monetary Fund The World Bank allocated USD 35M to help mitigate the impact of the pandemic, in addition to the USD 13M it had previously allocated The World Tourism Organization (UNWTO) and the European Bank for Reconstruction and Development (EBRD) will offer a tourism recovery technical assistance package to help the sector recover from the impact of COVID-19 The government allocated USD 623M to support the national carrier Royal Air Maroc to offset the financial losses from the pandemic 	<ul style="list-style-type: none"> Estimated # of Infections to Date: 20,887 (Cases per Million: 565) Announced # of Deaths to Date: 316 (Deaths per Million: 9) Cafés and gyms will reopen on 25 June with 50% capacity, as well as businesses including hairdressers and nail salons On 25 June, several restrictions will be lifted, as domestic flights are set to resume and hotels are set to reopen to domestic tourists. Mosques as well as bars and nightclubs will remain closed until further notice. The government has yet to announce when borders will reopen, despite the fact that Morocco is among the proposed list of 14 countries that will be allowed entry to the EU from 1 July. Safi, a city of 300,000 inhabitants, is under total lockdown as it faces a second wave Tangier, a city of 1.2 million inhabitants, was put under total lockdown on 13 July Moroccan expatriates and students abroad can return starting 14 July Tourists are unlikely to be allowed back soon, as Marrakech is still recording the largest increase in infection rates in cases The Ministry of Interior closed more than 500 factories and businesses across the country for non-compliance with precautionary measures The government is further relaxing measures as it allows hotels to operate at 100% capacity. Borders, however, are still not open to foreign tourists * The government banned all travel to and from most of the country's major cities until further notice to limit the spread of the virus ahead of the Eid holidays
Tunisia	<p>The IMF's pre-COVID-19 forecast was for growth to recover to 2018's level of 2.4% in 2020 after a slower 1.5% in 2019, but this has been revised downward to -4.3%. Tourism will be hit hard by the pandemic, especially by the loss of European travellers who make up the bulk of inbound arrivals to the country. The crisis will test the resolve of the newly formed government, led by Prime Minister Elyes Fakhfakh, and strain its fiscal resources. IMF financing will help the authorities cover large fiscal and balance of payments needs, estimated at 2.6% and 4.7% of GDP, respectively.</p> <p>Tourism revenues have declined by 38% in June, compared to the same period in 2019. Industrial activity will decrease by 30% in 2020.</p> <ul style="list-style-type: none"> Postponed taxes on SMEs, delayed repayment of low-income employee loans Interest rate cut by 100 basis points Banks to defer payments on existing loans and suspend any fees for electronic payments and withdrawals Operations resume in the food and construction sectors Return of government employees to work USD 175M loan from the World Bank to help mitigate the impact of COVID On 6 July, Ministry of Finance announced a series of measures to boost investment and entrepreneurship to help the economy recover The government is negotiating debt rescheduling with Saudi Arabia, Qatar, France and Italy, on top of ongoing negotiations for IMF financing * The international support package with macro-financial assistance from the EU will reach USD 600M this year 	<ul style="list-style-type: none"> Estimated # of Infections to Date: 1,455(Cases per Million: 123) Announced # of Deaths to Date: 50 (Deaths per Million: 4) General lockdown ordered till 4 May Return of final year high school students to school on 28 May Return of medical and pharmacy students to university on 11 May Retail shops and supermarkets reopened on 15 May Mosques, restaurants and cafes open as of 4 June Education in universities suspended until 8 June Public transports to operate on full capacity starting from 8 June The opening of sea, air and land borders on 27 June - the first country to reopen in North Africa

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: Levant (1)

Country	Economic & Fiscal	Health & Travel Related
Iraq	<p>The country has a limited fiscal margin to cope with the impact of less oil revenue from either the lower price or a virus-related drop in demand. This year's budget and those of the past five years have been based on an estimated oil price assumption averaging USD 51.3 pb. In June, oil exports fell to 2.8M barrels per day, as Iraq complies with OPEC+ cuts.</p> <ul style="list-style-type: none"> The Central Bank of Iraq (CBI) has established a fund to collect donations from financial institutions with initial donations of USD 20M from the CBI itself and USD 5M from the Trade Bank of Iraq Moratorium on interest and principal payments by SMEs 	<ul style="list-style-type: none"> <i>Estimated # of Infections to Date: 112,585 (Cases per Million: 2,795)</i> <i>Announced # of Deaths to Date: 4,458 (Deaths per Million: 111)</i> Government offices can keep staffing levels at a maximum of 25% and some shops will be allowed to reopen, though malls, parks and mosques will remain closed A road-rationing system has been introduced, allowing vehicles to be on roads and public highways on alternate days and plans are being discussed to reopen cement manufacturing plants Extended the nationwide curfew until 13 June; imposed a partial curfew between 6 PM and 5 AM from 14 June Maintained the ban on all gatherings and on travel within provinces The nationwide ban on commercial flights has been extended to 15 July The border crossing with Iran has been partially reopened for trade exchanges Citizens can now return from abroad under the condition of a 14-day self-quarantine Airports will open on 23 July, provided social distancing guidelines are implemented Curfew hours will be reduced to 9pm to 5am and are set to be revised after Eid al-Adha
	Jordan	<p>In Jordan, the IMF had forecast GDP growth at 2.4% this year driven by tourism and higher exports with the opening up to neighbouring countries. However, muted tourism and trade (hit by the global downturn) have led the IMF to revise the forecast for 2020 to a contraction of 3.7%. Tourism revenues plummeted by 36.6% YoY and remittances by 5.9% during Q1. Public debt increased to 101.7% of GDP in Q1, compared with 96.7% during the same period last year.</p> <ul style="list-style-type: none"> Additional liquidity of USD 775M Rescheduled loans and offered grace periods with no additional fees A USD 704.5M soft financing programme for SMEs Banks cut interest rates to SMEs and individuals by 1.5% from end-April Employers will pay 50% of private sector wages Plans are underway to restart investment sectors in free zones after getting the required approvals World Bank USD 20M project approved to support response to COVID-19 EU Regional Trust Fund mobilised USD 22.9M for the refugees and vulnerable in Jordan Launch of the "Our Jordan is Paradise, our Jordan is Fine" programme to revive the tourism sector Refund bank guarantees submitted by tourism offices, worth USD 42M Service and sales tax imposed on hotels and restaurants will be halved to 5% and 8% respectively The government deferred a salary hike for public sector employees to 2021 Government injected USD 705.2M into the private sector during the pandemic The World Bank approved a USD 374M project to provide cash support to 270k underprivileged and vulnerable households * Employers are allowed to reduce the salaries of their employees by 20% for July and August * The Central Bank approved over 3,900 loan requests, worth around USD 540M as part of the SME support programme

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: Levant (2)

Country	Economic & Fiscal	Health & Travel Related
Lebanon	<p>We do not expect the protests to fade away. We also expect negotiations with the IMF to drag until the government provides a clear economic and social rescue plan. Up to 50% of shops and businesses are at risk of closing by the end of 2020, with 25% having already closed in Beirut. The exchange rate crisis is worsening as the black-market rate reached LBP 10000 to USD, compared with the official rate of LBP 1515. The IMF talks with the government are on hold, but the Fund has urged for more unity as Lebanon reports USD 49B in losses.</p> <ul style="list-style-type: none"> • Zero interest loans to companies unable to pay salaries and debts • Banks to donate USD 6M to government hospitals to fight COVID-19 • Extend exceptional five-year zero percent interest rate loans in Lebanese pounds and in dollars to customers that already have credit facilities but are unable to meet their obligations • Distribute cash assistance to families hit financially as a result of COVID-19 • USD 797M stimulus package to cover the costs of COVID-19 • Central bank will inject dollars to prop up the national currency from 15 June • Opening of a new electronic platform to unify the price of dollars on the parallel market • The daily volume of banknotes injected into the market averaged USD 4M • Banks will ease limits on dollar transfers • Banque du Liban reduced interest rates to 0% on the banks' mandatory reserves and on the financial engineering transactions • The Ministry of Economy will subsidise 280 consumption items and USD 100M will be injected by Banque De Liban every month to subsidise basic food items • Importers in Lebanon will be supplied with dollars to buy goods from abroad at a rate of LBP 3,200 • Banque De Liban set a fixed exchange rate of 3,900 LBP per USD for importers and manufacturers of essential food markets • Advisers are currently working on a compromise for the government's financial rescue plan, in hopes it will be accepted by the IMF. The plan involves large financial losses, which are estimated to be around USD 68.9B. • Banque du Liban set up a committee to restructure financially stricken commercial banks 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 3,882 (Cases per Million: 569)</i> • <i>Announced # of Deaths to Date: 51 (Deaths per Million: 7)</i> • Museums & sports sessions remain closed • SMEs reopened on 27 April; restaurants opening until 9pm • Salons reopening for pre-booked appointments • Increases its curfew time to 7pm-5am from 9pm-5am • Opening of schools and universities and the resumption of air travel on 8 June • Beirut International Airport to open for commercial flights on 1 July, with flight traffic to be at 10% of capacity from a year ago
Palestine	<p>The Palestinian economy will suffer from escalating Israeli constraints and slower trade opportunities. Growth was expected to rebound in 2020 but could be revised downwards due to an ongoing standoff over the transfer of Palestinian taxes collected by Israel, low aid, the COVID-19 outbreak and long-standing constraints. The US has announced that it will provide USD 5M to the Palestinian Authority (PA) to curb the spread of the virus. This makes up about 4% of the PA's USD 137M emergency response plan. The poverty rate could double to 30% in the West Bank, according to World Bank estimates.</p> <ul style="list-style-type: none"> • The PA asked Israel to transfer its withheld clearance funds • The Israeli government will release USD 33.5M from tax revenues collected on the PA's behalf • The PA is planning to spend NIS 410M (0.7% of GDP) to cover (1-3 months) critical gaps related to COVID-19 • Postponed monthly/periodic loan repayments to all borrowers for the next four months, and for the tourism and hotel sectors for the next six months • France agreed to contribute USD 8.9M to the PA 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 10,621 (Cases per Million: 2,079)</i> • <i>Announced # of Deaths to Date: 78 (Deaths per Million: 15)</i> • Suspended Friday prayers • Ban on movement from West Bank and Israel & between governorates • Several economic establishments covering agriculture, food and private craftsmanship will be allowed to operate in the districts with no recorded infections or a limited number of cases, from 10 am until 5 pm • Workers will be able to move to Israel for work, provided they stay there for a month • Facing a second wave, the government has banned public gatherings and placed the districts of Hebron and Nablus under lockdown, for 5 days and 2 days respectively, on 20 June • 11 Palestinian cities, including Hebron, were put in quarantine for another five days • President Mahmoud Abbas extended the state of emergency for 30 days on 5 July • The PA imposed a night-time (8pm-6am) and weekend curfew for 14 days as cases increase

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: Levant (3) + Iran

Country	Economic & Fiscal	Health & Travel Related
Syria	<p>In Syria, COVID-19 adds a weight of additional pressure to the country's healthcare infrastructure. The World Health Organization estimates there were 494 attacks against health facilities in Syria between 2016 and 2019. With 50% of hospitals functioning at or close to capacity, existing needs are not being met, let alone pandemic exigencies. In Damascus, the government has continued to show that it has a handle on the crisis by arresting those violating curfews. As neighbouring Lebanon's economy collapsed and a nationwide curfew was imposed, food prices have soared by 200% YoY and more than 9.3 million people are at the risk of famine, according to the UN.</p> <ul style="list-style-type: none"> • None taken so far 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 674 (Cases per Million: 38)</i> • <i>Announced # of Deaths to Date: 40 (Deaths per Million: 2)</i> • Schools, mosques, parks and restaurants closed • Transport suspended • Reopening of businesses and industrial facilities with conditions • Daily curfew from 7:30pm to 6 am
Iran	<p>There is little doubt that new US-led sanctions are taking a toll on Iran: the IMF forecasts the economy to shrink by 6% this year, from a contraction of 7.6% in 2019. COVID-19 has hit Iran quite hard, as well as slower growth in China and the new oil price environment. The currency is in freefall, declining to 230,000 -- the lowest rate of Iranian rial per USD, ever. The new Parliament has convened, ushering in the conservative era we had anticipated in Iranian politics. It will mean even more hostile policy towards the West and an increased military presence in government. It is now only a matter of time until a conservative president takes over and the Revolutionary Guards expand their grip on power. The election is due next year.</p> <ul style="list-style-type: none"> • Commercial banks to extend low interest loans to restaurants, confectionary, travel and hospitality, textile, sports & entertainment • One-time cash handout to low income families within next 4 months • Retail sector workers and street vendors will receive an interest-free loan of USD 474 to be repaid over 30 months • Moratorium on tax payments for a period of three months (7% of GDP) • Credit for affected businesses (4.4% of GDP) • Extra funding for the health sector (2% of GDP) • President Hassan Rouhani withdrew USD 1.1B from the National Development Fund to address the negative economic impact of the outbreak • Trade resumes with neighbouring countries via land and water • The Central Bank of Iran injected USD 1.5B in the foreign exchange market to stabilise the rial • The Central Bank of Iran increased the interbank deposit rate to 13%, a one percentage point increase from last week • Iran is close to securing a 25-year agreement with China, which could bring a USD 400B in investments, in exchange for oil at discounted rate for the next 25 years 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 293,606 (Cases per Million: 3,492)</i> • <i>Announced # of Deaths to Date: 15,912 (Deaths per Million: 189)</i> • All government & private sector employees can now return to work • Khuzestan province has been placed under lockdown to prevent the spread of coronavirus after a sharp rise in new cases across the province • Reopened international borders, except with Turkmenistan (1 June) • Schools in low-risk areas reopened on 16 May and university exams will be held on 6 June • All major Shi'a shrines have reopened with courtyard access • Shopping malls would be able to stay open beyond the 6pm closing time imposed as part of the lockdown • Nurseries to reopen on 14 June, Koran and languages classes to also resume • Turkey will reopen two border crossings with Iraq and Iran this week • As cases keep rising, authorities announced that face masks will be compulsory from 5 July until 22 July. The worst hit provinces, known as red zones, have been allowed to reintroduce restrictions • Following the recent rise in COVID-19 deaths, museums, cultural centres, universities, and libraries have been shut down • The Ministry of Health announced it will start producing locally the antiviral agent 'remdesivir' for COVID-19 patients

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: Rest of MENA (1)

Country	Economic & Fiscal	Health & Travel Related
Djibouti	<p>With the disruption of the supply of inputs needed for manufacturing, and severe contraction in the travel and transport sectors, the pandemic threatens a dramatic drop in export revenues. This could precipitate currency and debt crisis in Djibouti. However, Beijing is likely to endorse a temporary freeze on debt payments by African countries which would offer a breather for Djibouti. The country is facing a large negative external demand shock due to the global recession. Output is contracting, while lower exports of services and foreign direct investment have opened an urgent balance of payments need of USD 164M (4.8% of GDP).</p> <ul style="list-style-type: none"> • Increase in health spending (no figures announced) • USD 10M financing under the Development Response to Displacement Impacts Project in the Horn of Africa to address COVID impact • USD 15M Economic Management and Statistics Development for Policy Making Project • As part of its Vision 2035, the government announced the creation of a Sovereign Wealth Fund, which aims to invest in key sectors such as telecoms, energy, infrastructure and new technologies 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 5,059 (Cases per Million: 5,115)</i> • <i>Announced # of Deaths to Date: 58 (Deaths per Million: 59)</i> • Suspension of all commercial passenger flights; restrictions of air, land and sea borders; except for humanitarian personnel; borders and international travel expected to be reopened starting in September • Transport, retail, services, construction and public administration are allowed to reopen; places of worship resumed • Air traffic resumed on 17 July
Libya	<p>In addition to the continuing civil war, oil revenue losses from supply stoppage and the price war have hampered the government's ability to import medical supplies which could make it harder to battle COVID-19. The battle in Libya has reached a turning point with the loss of Tripoli and Tarhouna from Rebel General Khalifa Haftar – it could be the beginning of the end for Haftar; however it is certainly not the end of the fighting as LNA militiamen have already threatened to seek revenge for their losses.</p> <ul style="list-style-type: none"> • The internationally recognised GNA announced a package of LD 500M (about 1% of GDP) in emergency COVID-19 related spending • Resumption of production of El-Sharara oilfield, the country's largest, on 7 June with an initial daily production of 30 Kb/d • A USD 500K grant for emergency relief from the African Development Bank was approved on 11 July 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 2,827 (Cases per Million: 411)</i> • <i>Announced # of Deaths to Date: 64 (Deaths per Million: 9)</i> • Restaurants were allowed to reopen for delivery only. • The curfew was further extended until 7 July, and the government has imposed a 24-hour lockdown for the second weekend in a row to reduce socialising. • The curfew in Tripoli has been extended for 15 days until 2 August * 582 prisoners will be released from prison to prevent overcrowding
Mauritania	<p>Real GDP will contract by 2% this year, following a 5.9% growth spike in 2019. The decline will be driven by lower commodity export revenues, despite the resilience of global iron ore prices. The COVID-19 pandemic is hitting demand across the world.</p> <ul style="list-style-type: none"> • A reduction of the policy rate from 6.5% to 5%; a reduction of the marginal lending rate from 9% to 6.5%; a decrease of the reserve requirement ratio from 7% to 5% • Emergency fund of about USD 80M (1.1% of GDP) for urgent procurements of medical supplies and equipment • The government has received the third instalment of a financial grant from the Islamic Solidarity Fund to help the country address coronavirus issues. 	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 6,208 (Cases per Million: 1,333)</i> • <i>Announced # of Deaths to Date: 156 (Deaths per Million: 33)</i> • Halted all international flights & tightened land border crossings • Friday prayer now allowed in groups • Markets reopened; restaurants reopened but only for takeaways • Schools to reopen on 1 July for examination classes • On 19 June, the government announced the 8pm to 6am curfew would be extended by two weeks, as well as the ban on movement between provinces

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

COVID-19 Situation Report: Rest of MENA (2)

Country	Economic & Fiscal	Health & Travel Related
Somalia	<p>The economy, initially forecast to grow 3.2% this year from 2.9% in 2019, is now seen contracting by at least 2.5%. The agriculture sector -- which makes up 75% of Somalia's GDP and 93% of its exports -- has been hit by a series of natural disasters: the pandemic, locusts and flooding. The decline will need to be mitigated by strong international support and government efforts.</p>	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 3,196 (Cases per Million: 201)</i> • <i>Announced # of Deaths to Date: 93 (Deaths per Million: 6)</i>
	<ul style="list-style-type: none"> • Allocation of a USD 5M to tackle virus • Seeking support from international financial organisations • Three-month tax holiday on basic commodities and reduced consumption tax on some additional goods by 50% • The African Development Bank approved grants worth USD 25.1M to shore up government efforts to mitigate the COVID-19 pandemic 	<ul style="list-style-type: none"> • Suspension of all flights other than humanitarian ones • Large public gatherings have been banned • The government has further delayed the resumption of international flights until further notice, but domestic flights resumed on 5 July
Sudan	<p>The Sudanese economy is set to contract by 7.2% in 2020, which is a significant decrease from the previously bleak prediction in October 2019 of a 1.5% decline. There is a risk that this, along with the pandemic, could disrupt Sudan's passage from dictatorship.</p>	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 11,424 (Cases per Million: 260)</i> • <i>Announced # of Deaths to Date: 720 (Deaths per Million: 16)</i>
	<ul style="list-style-type: none"> • Ministry of Health in Sudan set up a USD 44M country-wide preparedness response plan • The financing needs to cope with COVID-19 related health care is about USD 120M; pledge contributions from the government, private sector, the EU, US, and Islamic Development Bank have exceeded USD 133M • Government subsidy program as cash transfers for 500,000 designated families • The EU contributed a further USD 13M in a two-year project designed to benefit 42 million people. 	<ul style="list-style-type: none"> • Nationwide curfew issued; schools closed • Extension of the closure of airports to international and domestic passenger flights until 12 July, as they were set to open on 15 June • Extension of lockdown from 18 June to 7 July in the state of Khartoum <ul style="list-style-type: none"> • Shops and restaurants reopened in Khartoum on 8 July • Khartoum International Airport permitted flights arriving from Turkey, Egypt and the UAE
Yemen	<p>Since the COVID-19 outbreak, the cost of the minimum food basket has risen by as much as 35%. While the international community has rallied to provide emergency support to Yemen, the level of funding and support may be too little and too late for the health crisis at hand.</p>	<ul style="list-style-type: none"> • <i>Estimated # of Infections to Date: 1,691 (Cases per Million: 57)</i> • <i>Announced # of Deaths to Date: 483 (Deaths per Million: 16)</i>
	<ul style="list-style-type: none"> • The Saudi government has offered to contribute with USD 500M to the UN for the humanitarian response, and USD 25M to fight the spread of the virus • Ministry of Energy of the internationally-recognised government affirmed that Yemen would raise its crude oil production by 25% to 75,000 b/pb • UNICEF shipment of protective equipment to help curb the spread of COVID arrived in Sanaa on 14 June • Donors pledged USD 1.35B of humanitarian assistance to Yemen this month, but that is less than half of what is required by UN estimates. • UNICEF is demanding an additional USD 54.5M in aid by the end of August. If not received, 23,500 children with severe acute malnutrition will be at increased risk of dying • The World Bank pledged a USD 50M to tackle COVID-19 and locusts in Yemen 	<ul style="list-style-type: none"> • Schools in GNA and Houthi-held areas have closed • Closure of all land crossings between GNA-controlled provinces and Houthi-held provinces in the north for two weeks • Closure of Sanaa airport

¹ Arabia Monitor; IMF.
* Updated as of 28 July 2020.

About Arabia Monitor

Arabia Monitor is an independent research firm specialised in economic and market analysis, and strategy advisory on the Middle East and North African region, which it views as the new emerging market. Arabia Monitor's in-depth, locally informed analysis by Arab, Persian and Chinese speakers has placed it consistently ahead of the curve in identifying new trends within and around the region, and understanding its geopolitics.

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