

# Saudi makes positive start to 2023

Reuters

Saudi Arabia's stock market rose yesterday, starting 2023 on a positive note in line with the country's economic forecast, while region's other major markets were closed and many investors absent because of year-end holidays.

Earlier last month Reuters reported that Saudi Arabia expects to post a second consecutive budget surplus in 2023, though down 84% from this year as an uncertain global economic outlook and lower crude prices look set to weigh on the top oil exporter's revenues.

The kingdom approved a 1.114 trillion riyal (\$296.39 billion)-budget for 2023, forecasting a surplus at 0.4% of gross domestic product, down from an ex-



An investor monitors a screen displaying stock information at the Abu Dhabi Securities Exchange

pected 2.6% in 2022. Also crude prices, which fuels the region's growth, mostly remained highly

volatile in 2022 amid the war in Ukraine and on weaker demand from top importer China.

## Closing bell

SAUDI ▲ 0.7% to 10,547 points  
OMAN ▲ 0.3% 4,873 points

Saudi Arabia's benchmark index (.TASI) rose 0.7%, with oil behemoth and index heavy-weight Saudi Aramco (2222.SE) increasing 0.9% and Sulaiman Al-Habib Medical Services (4013.SE) advancing 1%.

In Oman, the stock index (.MSX30) gained 0.3% as Bank Muscat (BKMB.OM) and Sohar International Bank (BKSB.OM) rose 1.8% and 1.9% respectively.

Separately, Oman's Sultan ratified a 2023 budget with a deficit of 1.3 billion Omani rials (\$3.38 billion) or 3% of GDP, the finance ministry said on Sunday, adding that the 2022 budget achieved a surplus of 1.146 rials.

# Oman ok's 2023 budget, had 1.146 billion rials 2022 surplus

Reuters | Cairo

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The 2023 budget sees revenues of 10.05 bn Omani rials, 5% lower than 2022, and expenditures of 11.35 bn rials, 6.4% lower than the previous year. Higher oil prices boosted 2022 revenues to 14.234 bn rials, the finance ministry said. Last year's budget had been based on a forecast price of \$50 per barrel but the government now estimates the average price in 2022 to be \$94.

The 2023 budget is based on a price of \$55 per barrel.

Public spending in 2022 was 13.088 bn rials, the ministry said. The surplus allowed the government to reduce public

debt from 20.8 billion rials in 2021 to 17.7 bn rials in 2022.

The International Monetary Fund (IMF) expects Oman to post fiscal and external surpluses over the medium term, due mainly to higher oil revenue, fiscal discipline and the introduction of value-added tax.



Last month, S&P Global upgraded Oman's credit rating to BB, from BB-, on improved fiscal performance and lower public debt.

# Bahrain Kuwait Insurance announces promotions

Promotes three employees to executive positions

TDT | Manama

As part of the national initiative of diversity, inclusion, gender equality and empowering Bahraini women, Bahrain Kuwait Insurance Company promotes Mrs. Fatima Al-Saffar to Chief Financial Officer, Ms. Wedad Hasan Ahmed to Senior Manager - Technical Accounts and Mrs. Aysha Saleh Al-Mahmeed to Senior Manager - HR & Administration. Dr Abdulla Sultan, CEO of the company, said: "We congratulate our female employees on their promotion



Wedad Hasan Ahmed



Fatima Al-Saffar



Aysha Saleh Al-Mahmeed

and praise their roles in the business and the responsibilities

assigned to them, which qualified them to assume leadership

positions, wishing them all the success in their new positions."

# Global economy faces tougher year in 2023, IMF's Georgieva warns

Reuters

For much of the global economy, 2023 is going to be a tough year as the main engines of global growth - the United States, Europe and China - all experience weakening activity, the head of the International Monetary Fund said on Sunday.

The new year is going to be "tougher than the year we leave behind," IMF Managing Director Kristalina Georgieva said on the CBS Sunday morning news program "Face the Nation."

"Why? Because the three big economies - the US, EU and China - are all slowing down simultaneously," she said.

In October, the IMF cut its outlook for global economic growth in 2023, reflecting the continuing drag from the war in Ukraine as well as inflation pressures and the high interest rates engineered by central banks like the US Federal Reserve aimed at bringing those price pressures to heel.

Since then, China has scrapped its zero-COVID policy and embarked on a chaotic reopening of its economy, though consumers there remain wary as coronavirus cases surge. In his first public comments since the change in policy, President Xi Jinping on Saturday called in a New Year's address for more effort and unity as China enters a "new phase."

"For the first time in 40 years,

China's growth in 2022 is likely to be at or below global growth," Georgieva said.

Moreover, a "bushfire" of expected COVID infections there in the months ahead are likely to further hit its economy this year and drag on both regional and global growth, said Georgieva, who traveled to China on IMF business late last month.

"I was in China last week, in a bubble in a city where there is zero COVID," she said. "But that is not going to last once people start traveling."

"For the next couple of months, it would be tough for China, and the impact on Chinese growth would be negative, the impact on the region will be negative, the impact on global growth will be negative," she said.

In October's forecast, the IMF pegged Chinese gross domestic product growth last year at 3.2% - on par with the fund's global outlook for 2022. At that time, it also saw annual growth in China accelerating in 2023 to 4.4% while global activity slowed further.

Her comments, however, suggest another cut to both the China and global growth outlooks may be in the offing later this month when the IMF typ-

ically unveils updated forecasts during the World Economic Forum in Davos, Switzerland.

US ECONOMY 'MOST RESILIENT'

Meanwhile, Georgieva said, the US economy is standing apart and may avoid the outright contraction that is likely to afflict as much as a third of the world's economies.

"The US is most resilient," she said, and it "may avoid recession. We see the labor market remaining quite strong."

But that fact on its own presents a risk because it may hamper the progress the Fed needs to make in bringing

US inflation back to its targeted level from the highest levels in four decades touched last

year. Inflation showed signs of having passed its peak as 2022 ended, but by the Fed's preferred measure, it remains nearly three times its 2% target.

"This is ... a mixed blessing because if the labor market is very strong, the Fed may have to keep interest rates tighter for longer to bring inflation down," Georgieva said.

Last year, in the most aggressive policy tightening since the early 1980s, the Fed lifted its benchmark policy rate from near zero in March to the current range of 4.25% to 4.50%, and Fed officials last month projected it will breach the 5% mark in 2023, a level not seen since 2007.

Indeed, the US job market will be a central focus for Fed officials who would like to see demand for labor slacken to help undercut price pressures. The first week of the new year brings a raft of key data on the employment front, including Friday's monthly nonfarm payrolls report, which is expected to show the US economy minted another 200,000 jobs in December and the jobless rate remained at 3.7% - near the lowest since the 1960s.

# Israel to abandon plastic tax despite environmental concerns

Reuters | Jerusalem

Israel's new government will abandon the country's tax on single-use plastic plates and utensils, Finance Minister Bezalel Smotrich said on Sunday, despite environmental concerns.

The decision, in apparent defiance of global efforts to reduce the amount of plastic waste that is polluting oceans, comes after opposition to the tax from religious parties that said it unfairly targeted their communities.

Smotrich, who was sworn in on Thursday, said his first decision in office is to axe the plastic tax as well as a levy on sugary drinks "as quickly as possible".

The country's Environmental Protection Ministry, which has reported a 50% drop in the use of such plastic since the tax was introduced in 2021, said it was studying Smotrich's decision and its



Representative picture

consequences.

There was opposition to the plastic tax among ultra-Orthodox Jewish parties, which are strongly represented in the new government led by Benjamin Netanyahu.

A parliamentary report from November 2021 found that ultra-Orthodox families used plasticware three times more than the rest of the population because they often have large families and low incomes, with many not owning dishwashing machines.

# Toyota's Indian unit warns of a possible customer data breach



Reuters

A data breach at Toyota Motor's (7203.T) Indian business might have exposed some customers' personal information, it said yesterday.

Toyota India said it has notified the relevant Indian authorities of the data breach at Toyota Kirloskar Motor, a joint venture with Indian conglomerate Kirloskar Group (KIRL.NS).

"Toyota Kirloskar Motor

(TKM) has been notified by one of its service providers of an incident that might have exposed personal information of some of TKM's customers on the internet", TKM said in an emailed statement without disclosing the size of the data breach or number of customers affected.

An unrelated issue at Toyota Motor's T-Connect service potentially leaked about 296,000 pieces of customer information, it said last October.

