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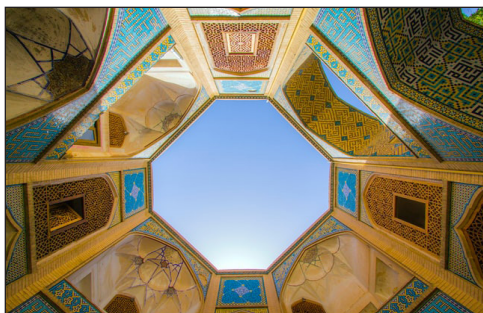


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WHAT'S NEW

Welcome to the November 2020 issue of the Middle East & Central Asia newsletter!

This issue highlights the **Tourism** database in Haver, detailed statistics on visitor arrivals and departures, hotel stays, and more!

In the Copyright Corner, we share with you some myths and facts about the Public Domain. We hope you find this useful!

SECTION JUMP

DATABASE HIGHLIGHT

BOOKS

COPYRIGHT CORNER

JOURNALS

WORKING PAPERS

ANALYST REPORTS

SOVEREIGN RATING REPORTS

BOOKS

- *Artificial Intelligence and Inequality in the Middle East: The Political Economy of Inclusion* (RIZK)
- *Novel Coronavirus Hurts the Middle East and North Africa Through Many Channels* (CEPR)

More on [Page 2](#)

JOURNAL ARTICLES

- "A Crude Future? COVID-19's Challenges for Oil Demand, Supply and Prices" (JEFFERSON)
- "A Double Paradox of Plenty: Renewable Energy Deployment in Central Asia" (SHADRINA)

More on [Page 3](#)

WORKING PAPERS

- "Looking West. The Rise of Asia in the Middle East" (TALBOT & UGO)
- "Women's Economic Participation in Iraq, Jordan and Lebanon" (WORLD BANK)

More on [Page 4](#)

ANALYSIS RESEARCH

- "Gulf Cooperation Council: Pandemic and Prolonged Low Oil Prices will Accelerate Regional Bank Consolidation" (MOODY'S)
- "Central Asia Key Regional View" (FITC SOLUTIONS)
- "Seven Themes of Change for MENA Beyond the COVID-19 Pandemic" (ERNST & YOUNG)
- "MENA: Fallout from COVID-19 and Plunge in Oil Price Under-score Importance of Reform" (IIF)

More on [Page 5](#)

SOVEREIGN RATING REPORTS

- The latest sovereign rating reports since September 2020
- Including 33 new reports for 18 sovereigns

See the full list on [Page 7](#)

DATABASE HIGHLIGHT

Do you know about the Tourism database in Haver?

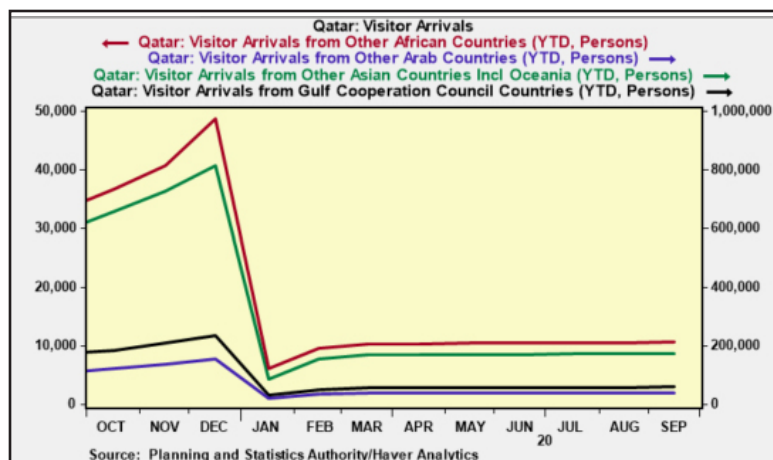
Detailed statistics from countries' statistical offices, tourism ministries and boards

Concepts:

- Visitor arrivals and departures
- Hotel stays by residents & foreigners
- Purpose, country and type of travel

Haver DLX software & Excel add-in is available to all IMF staff in Software Center

TOURISM database is in the Haver DLX menu under the Global heading:



[More information about Haver](#)

BOOKS

Please contact the [Library](#) if you are interested in the following books.

Aldukheil, Abdulaziz M, 2020,
An Optimum Base for Pricing Middle Eastern Crude Oil (London: Saqi).

Setting the price of oil, one of the most sought-after and traded commodities in the global market, has been a major issue in the field of economics. Focusing on Saudi Arabia, the book examines the deficiencies of present price-setting methods where production (extraction), trade, return on foreign investment and the subsequent investment of surplus revenues present complex questions for the Saudi Arabian economy.

Arezki, Rabah, and Ha Nguyen, 2020,
"Novel Coronavirus Hurts the Middle East and North Africa Through Many Channels," In Economics in the Time of COVID-19, Ed. Richard Baldwin and Beatrice Weder di Mauro (London: CEPR Press).

The novel coronavirus (COVID-19) has the potential to severely disrupt global economic activities. In this chapter, I examine the channels through which COVID-19 may affect the MENA region.

Hakimian, Hassan, and Ziba Moshaver, 2020,
The State and Global Change: The Political Economy of Transition in the Middle East and North Africa (London: Routledge).

The essays in this volume debate the political economy of transition and reforms in the Middle East and North Africa, drawing on interdisciplinary approaches and outlooks involving international, regional and national levels of analysis. The three central themes of the book are the rationale and strategies for reform, the processes and outcomes, and the nature of the state in the changing global setting.

Rizk, Nagla, 2020,
"Artificial Intelligence and Inequality in the Middle East: The Political Economy of Inclusion," In The Oxford Handbook of Ethics of AI, Ed. Markus D. Dubber, Frank Pasquale, and Sunit Das (Oxford University Press).

The chapter looks at the challenges, opportunities, and tensions facing the equitable development of artificial intelligence (AI) in the MENA region in the aftermath of the Arab Spring. Rampant unemployment, together with informality, gender, and digital inequalities, will likely shape the impact of AI tech-

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Copyright Myth-Busting: Publicly available ≠ Public Domain

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Publicly available = in the Public Domain	Public Domain applies to content for which copyright has expired or for which there was no copyright in the first place. Publicly available content that you find on the internet for instance will most likely not be in the Public Domain but be copyright-protected and requires permission to be used (read website "Terms of Use")

nologies. The chapter then analyzes issues related to data, legislative environment, infrastructure, and human resources as key inputs to AI technologies which in their current state may exacerbate existing inequalities.

JOURNALS

Alqahtani, Abdullah, et al. 2020.

["Predictability of GCC Stock Returns: The Role of Geopolitical Risk and Crude Oil Returns."](#) *Economic Analysis and Policy* 68 (December): 239–49.

The paper evaluates the in-sample and out-of-sample stock return predictive power of the global and Saudi geopolitical risk indices and crude oil returns in the context of six GCC countries. The results imply that crude oil returns can be used for active prediction of GCC stock market returns, once econometric issues are accounted for. The findings remain mostly unaffected when excess risk adjusted returns are used.

Ibrahim, Halah, et al. 2020.

["Covid-19 Pandemic Research Opportunity: Is the Middle East & North Africa \(MENA\) Missing Out?"](#) *Contemporary Clinical Trials* 96 (September): 106106.

The Covid-19 pandemic has caused fear and panic

worldwide, forcing healthcare systems to disregard conventional practices and adopt innovation to contain the infection and death. Globally, there has been a rapid proliferation of research studies and clinical trials assessing risks, infectivity and treatment.

Jefferson, Michael. 2020.

["A Crude Future? COVID-19's Challenges for Oil Demand, Supply and Prices."](#) *Energy Research & Social Science* 68 (October): 101669.

Assessing prospects for future oil prices is an uncertain activity but, barring Middle East conflict creating severe supply issues, crude oil prices are expected to stage a recovery by third-quarter 2020 and modest further recovery in first-half 2021. Despite such a recovery there will be many oil sectors incurring losses, from US shale oil and Canadian tar sands producers, to many standard crude oil exporters incurring problems with production equipment access and costs, or experiencing lack of competitiveness in key markets.

Merrill, Ryan K., and Anthony W. Orlando. 2020.

["Oil at Risk: Political Violence and Accelerated Carbon Extraction in the Middle East and North Africa."](#) *Energy Economics* 92 (October): 104935.

What effect does the threat of expropriation have on resource extraction? Much of the economic litera-

ture suggests that uncertainty reduces investment, but the theory of risk-induced extraction suggests the opposite. In this paper, we test this theory in the context of political violence, which poses a real threat of state destabilization and violent expropriation of property rights. Facing this uncertainty, we find that oil producers in MENA increase oil production in response to political violence.

Shadrina, Elena. 2020.

[“A Double Paradox of Plenty: Renewable Energy Deployment in Central Asia.”](#) *Eurasian Geography and Economics*: 1–26.

This article argues that wider deployment of non-hydropower renewable energy sources is critical for Central Asian countries' sustainability and attempts to explain the double paradox of plenty through the specifics of institutional environments in energy-poor and rent-dependent Central Asian economies.

WORKING PAPERS

Arezki, Rabah, and others. 2020.

[“Trading Together: Reviving Middle East and North Africa Regional Integration in the Post-COVID Era.”](#) *MENA Economic Update, October 2020* (Washington, DC: World Bank).

The MENA Economic Update is a product of the World Bank's Office of the Chief Economist for the Middle East and North Africa. This presents the short-term, macroeconomic outlook and economic challenges facing countries in the region.

Fratto, Chiara, and Elisa Giannone. 2020.

[“Market Access and Development of the ICT Sector in the West Bank.”](#) *Policy Research Working Papers 9426* (Washington, DC: World Bank).

This paper studies the impact of security measures that have reduced the mobility of people and goods on the industrial composition of the West Bank economy, and, in particular, on the development of the information and communications technology sector. The paper identifies different channels through which changes in market access due to the introduction of mobility restrictions can differentially affect industries.

Islamic Development Bank. 2020.

[“The Covid-19 Crisis and Islamic Finance: Response of the Islamic Development Bank Group.”](#) *Discussion Draft, September 2020* (Jeddah: Islamic Development Bank).

The Report consists of two sections: The First Section addresses the Covid-19 pandemic from an Islamic-finance perspective. The Second Section provides a detailed description of the response of the IsDB Group to the crisis caused by the pandemic.

Talbot, Valeria, and Ugo Tramball, 2020,

[“Looking West. The Rise of Asia in the Middle East.”](#) *ISPI Istituto Per Gli Studi Di Politica Internazionale* (Rome: ISPI).

As the world's economic and political centre of gravity moves increasingly towards East and South Asia, we can expect a number of countries in these regions to devote more attention to the Middle East. Not only oil but also trade, investment, infrastructure, and tourism is the name of the business with the MENA region. What are the strategic implications of the projection of Asian countries in an unstable, fragmented and volatile region? How do they interact with each other and with other international players? Last but not least, will the Covid-19 pandemic be a game changer in (re)shaping relations in the future?

World Bank. 2020.

[“From Crisis to Economic Transformation - Unlocking Egypt's Productivity and Job-Creation Potential.”](#) (Washington, DC: World Bank).

In Egypt, the disruptions caused by the pandemic started in March 2020, and has since interrupted a period of macroeconomic stability, characterized by relatively high growth, improved fiscal accounts, and a comfortable level of foreign reserves. Yet, the pandemic also hit as longstanding challenges continued to persist, notably the government's elevated debt-to-GDP ratio (despite its significant reduction in recent years), sluggish revenue-mobilization and the below-potential performance of non-oil merchandise exports and non-oil FDI. The fiscal, monetary and energy sector reforms implemented in recent years, along with the emergency measures undertaken by authorities in response to the COVID-19 crisis are so far helping Egypt weather the shock.

World Bank. 2020.

[“Women’s Economic Participation in Iraq, Jordan and Lebanon.”](#) (Washington, DC: World Bank).

This report calls for action in the following areas: stronger economic growth, effective policy action to close legal gaps, promotion of more egalitarian attitudes, access to quality childcare, and the provision of safe transportation. The main focus of the report is women’s economic opportunities, as opposed to the broader issue of women’s empowerment. The report analyzes other aspects of female empowerment, but in particular as those aspects influence, determine, and are affected by women’s participation in paid economic activities.

ANALYST REPORTS

Please contact the [Library](#) if you encounter problems when accessing these analyst reports.

SOVEREIGN

OECD. 2020.

[“COVID-19 Crisis Response in MENA Countries.”](#)
[OECD Policy Responses to Coronavirus \(Paris\).](#)

This update includes the latest analysis on the economic and social consequences of the crisis [in the MENA region], including new sections on the fiscal and educational challenges, as well as insights on the resilience of the healthcare system.

World Economic Forum. 2020.

[“Rebounding from COVID-19: MENA Perspectives on Resilience in Manufacturing and Supply Systems.”](#) (Geneva).

The pandemic is having a dramatic economic impact, as seen by drops in oil and tourism revenues, and has sparked debate about the viability of global supply chains and the region’s strategic position within them.

BANKING & FINANCIALS

Moody’s Investors Service. 2020.

[“Islamic Banking - North Africa: Higher Government Efforts Remain Key to Gear Up the Sector for Growth.”](#) (New York).

Islamic banking remains nascent in North Africa but the region presents strong growth potential.

Moody’s Investors Service. 2020.

[“Banking – Gulf Cooperation Council: Pandemic and Prolonged Low Oil Prices will Accelerate Regional Bank Consolidation.”](#) (New York).

Banks in the Gulf Cooperation Council (GCC) region will increase mergers and acquisitions due to the twin challenges of the pandemic and protracted low oil prices. Banks will face slower credit growth, slimmer net interest margins and higher provisioning for bad loans. The revenue shock will shift management attention to cost discipline and consolidation opportunities. Mergers and acquisitions will remain a recurring credit theme over coming years.

S&P Global Ratings. 2020.

[“GCC Banks: Lower Profitability Is Here to Stay.”](#)
(New York: S&P Global Market Intelligence).

Rated banks in the GCC face an uphill struggle in the next 18 months due to the protracted nature of the economic recovery and the expected gradual withdrawal of regulatory forbearance measures. S&P Global Ratings’ base case is that a COVID-19 vaccine will be widely available by around mid-2021 and that the oil price will stabilize at an average of \$50 per barrel.

S&P Global Ratings. 2020.

[“Islamic Finance: Syndication Could Make Up for Sukuk’s Shortcomings.”](#) (New York: S&P Global Market Intelligence).

Core Islamic countries such as Turkey, Malaysia, Indonesia, and those in the Gulf Cooperation Council (GCC) are facing a major economic contraction in 2020 because of COVID-19 and low oil prices. Governments’ financing needs have increased sharply as a result of the pandemic, while corporates are cutting capital expenditure and holding on to cash.

ECONOMIC IMPACTS

Economist Intelligence Unit. 2020.

[“Food Insecurity Remains Concern in MENA Region.”](#) (London).

Coronavirus-related border closures have damaged supply and, combined with inflationary pressures, have led to a rise in local food prices, negatively affecting food security in conflict-ridden states, but have had less impact on the more financially and politically stable countries in the region.

Fitch Solutions. 2020.

[“Middle East and North Africa Infrastructure Q1 2021: Includes 10-year Forecasts to 2029.” \(New York\).](#)

2021 will bring a return to positive growth territory for the Middle East and North Africa’s overall construction industry. The risks to this improving outlook are heightened: there is the potential for a resurgence in Covid-19 cases that would see further restrictions imposed across the region, and the subdued outlook for oil prices.

Fitch Solutions. 2020.

[“Central Asia Key Regional View.” \(New York\).](#)

The region will enjoy strong rates of GDP growth in the coming years, helping Central Asia gradually converge with other frontier markets in Asia. Growth will be supported by improved reform momentum, increasing regional cooperation, the development of natural resource reserves, and China’s ‘Belt and Road’ Initiative.

Fitch Solutions. 2020.

[“Africa Monitor - North Africa.” January 2021, Vol 26, Issue 1 \(New York\).](#)

Contents include: **Egypt:** Gradual Economic Recovery Underway, Though Risks Remain; **Libya:** Economy to See Robust Rebound in 2021 as Oil Exports Ramp Up; **Libya:** Current Account Deficit to Fall On Resumption of Oil Exports; **Libya:** Lasting Peace Unlikely Despite Apparent Progress in Negotiations; **Morocco:** Polisario Tensions to Remain Volatile for the Foreseeable Future.

Fitch Solutions. 2020.

[“Middle East Monitor – East Med.” January 2021, Vol 31, Issue 1 \(New York\).](#)

Contents include: **Israel:** Second Lockdown to Deepen Recession; **Lebanon:** Growth to Hit Record-Low in 2020.

Fitch Solutions. 2020.

[“Middle East Monitor – The Gulf.” January 2021, Vol 31, Issue 1 \(New York\).](#)

Contents include: **Middle East and North Africa:** Macroeconomic Update – Prospects for Post-Covid-19 Recovery; **Oman:** Qatar’s USD1bn Aid Could Come with Foreign Policy Implications; **Iran:**

Cross-Border financial Links to Remain Restricted Despite Eventual US Sanctions Relief.

Khan, Wasim. 2020.

[“Seven Themes of Change for MENA Beyond the COVID-19 Pandemic.” \(London: Ernst & Young\).](#)

To build a better working world and economy beyond the COVID-19 pandemic, we must rethink and explore the possibilities of change. It’s not yet the end of the COVID-19 pandemic, but we are thinking ahead to the lasting economic implications of coexisting with it. Governments across the globe are faced with the hard choices of how best to continuously address and contain the virus, citizens’ welfare, economics and diplomacy. No doubt we are on the brink of a new economic paradigm.

OIL & GAS

Economist Intelligence Unit. 2020.

[“Middle East Weekly Brief: China’s Expanding Role.” \(London\).](#)

As the world’s largest importer of crude oil, China’s role in the MENA economy is significant. Partly as a result of this, MENA trade with China more than doubled in value in 2009-19, despite China diversifying its oil imports away from OPEC producers. Moreover, with geographical access to East Africa and Europe, parts of the MENA region form important elements of China’s BRI, which aims to recreate the ancient Silk Road trading routes and involves China supporting investment in infrastructure in order to secure better access to such routes.

Iradian, Garbis, and Samuel LaRussa. 2020.

[“MENA: Fallout from COVID-19 and Plunge in Oil Price Underscore Importance of Reform.” \(Washington, DC: Institute of International Finance\).](#)

We forecast a contraction in output of 5.1% in 2020, followed by modest recovery of 2.8% in 2021. The plunge in oil prices is providing a catalyst for reforms, including substantial expenditure cuts. The peg to the U.S. dollar will be maintained in GCC countries supported by large foreign currency assets. Fiscal breakeven oil prices are declining but remain well above the projected oil price of \$42/b in 2020 and \$47/b in 2021. The region needs to pursue deeper reforms to strengthen the business climate and improve competitiveness.

Moody's Investors Service. 2020.

["Oil & Gas – EMEA: Third Quarter 2020 Newsletter." \(New York\).](#)

Quarterly update on the EMEA oil & gas industry, including companies in the integrated oil & gas, oil-field services, refining & marketing and exploration & production sectors.

Fitch Solutions. 2020.

["Middle East and North Africa Oil & Gas Overview," \(New York\).](#)

Despite near-term pressures on supply from weaker oil prices, voluntary production cuts and US sanctions, the Middle East and North Africa will be a key driver of global supply growth over the coming decade as producers ramp up investment to monetize the region's vast resource base. Oil will dominate supply across the forecast period, but gas will gain ground as governments increasingly target the development of their domestic resources. Gas demand will grow strongly in line with supply, while oil demand is set to recover following multi-year declines, supported by positive demographic and macro fundamentals.

SOVEREIGN RATING REPORTS

Fitch reports require login, contact the [Library](#) for an account. Request Moody's and S&P reports from the [Library](#).

Reports are from Aug 26, 2020 forward.

ARMENIA

Fitch: "[Armenia - Rating Action Report](#)" (Oct 5)

Moody's: "Government of Armenia – Ba3 stable: Regular update" (Aug 31)

AZERBAIJAN

Moody's: "Government of Azerbaijan – Ba2 stable: Regular update" (Oct 29)

BAHRAIN

Fitch: "[Full Rating Report: Bahrain](#)" (Aug 27)

Moody's: "Government of Bahrain – B2 stable: Regular update" (Oct 8)

EGYPT

Moody's: "Government of Egypt – B2 stable: Regular update" (Nov 10)

S&P: "Research Update: Egypt 'B/B' Ratings Affirmed; Outlook Stable" (Nov 6)

GEORGIA

Fitch: "[Full Rating Report: Georgia](#)" (Aug 26)

Moody's: "Government of Georgia – Ba2 stable: Annual credit analysis" (Nov 18)

S&P: "Research Update: Georgia 'BB/B' Ratings Affirmed; Outlook Stable" (Aug 28)

JORDAN

S&P: "Research Update: Jordan 'B+/B' Ratings Affirmed; Outlook Remains Stable" (Sept 11)

KAZAKHSTAN

Fitch: "[Full Rating Report: Kazakhstan](#)" (Sept 23)

S&P: "Full Analysis: Kazakhstan" (Sept 4)

KUWAIT

Fitch: "[Kuwait to Overcome Political Obstacles to Financing](#)" (Sept 1)

Moody's: "Government of Kuwait – A1 stable: Annual credit analysis" (Nov 11)

S&P: "Bulletin: The Most Pressing Near-Term Economic Challenge For Kuwait's New Emir Is Resolving The Funding Gap" (Oct 5)

KYRGYZ REPUBLIC

Moody's: "Government of Kyrgyz Republic: Protracted political uncertainty would impede economic recovery and weigh on long-term development" (Oct 9)

LEBANON

Moody's: "Government of Lebanon – C No Outlook: Annual credit analysis" (Sept 15)

MOROCCO

Fitch: "[Morocco and the Coronavirus Pandemic Shock](#)" (Nov 5)

Fitch: "[Full Rating Report: Morocco](#)" (Oct 30)

Moody's: "Government of Morocco - Ba1 stable: Regular update" (Oct 27)

S&P: "Morocco Outlook Revised To Negative On COVID-19-Induced Rise In Debt And External Financing Needs; Ratings Affirmed" (Oct 2)

OMAN

S&P: "Oman Downgraded To 'B+' On Rising Net Debt Levels; Outlook Stable" (Oct 16)

QATAR

Moody's: "Government of Qatar – Aa3 stable: Annual credit analysis" (Oct 28)

S&P: "Full Analysis: Qatar" (Nov 6)

SAUDI ARABIA

Fitch: "[Fitch Revises Saudi Arabia's Outlook to Negative; Affirms at 'A'](#)" (Nov 9)

Moody's: "Government of Saudi Arabia – A1 negative: Regular update" (Nov 4)

S&P: "Research Update: Saudi Arabia 'A-/A-2' Ratings Affirmed; Outlook Stable" (Sept 25)

TAJIKISTAN

Moody's: "Government of Tajikistan – B3 negative: Regular update" (Nov 13)

TUNISIA

Moody's: "Government of Tunisia – B2 negative: Update following confirmation of B2 rating, outlook changed to negative" (Oct 6)

UNITED ARAB EMIRATES

Moody's: "Government of United Arab Emirates – Aa2 stable: Regular update" (Sept 29)

UZBEKISTAN

Fitch: "[Full Rating Report: Uzbekistan](#)" (Oct 22)

Moody's: "Government of Uzbekistan – B1 stable: Regular update" (Oct 1)

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