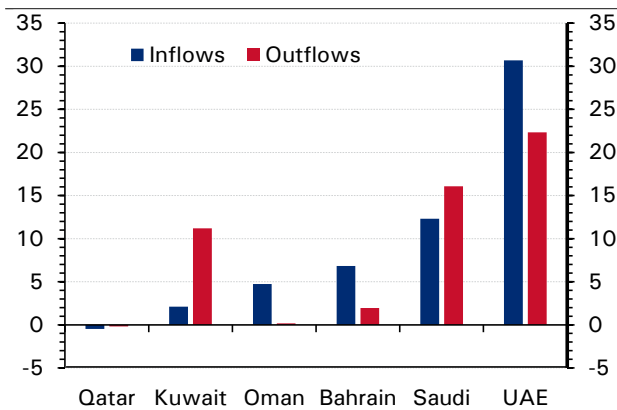


# Daily Economic Update

Economic Research Department  
25 June 2024

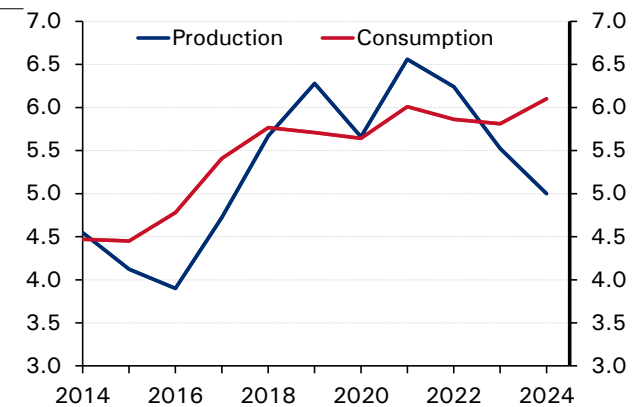
**GCC: FDI inflows drop in 2023 amid global investment pullback.** Foreign direct investment (FDI) flows into the GCC fell 6.1% in 2023 to \$56.2 billion, according to preliminary data published by UNCTAD in its annual World Investment Report 2024. Amid a general pullback in global FDI (-2.0% y/y) due to a combination of weakening economic growth prospects, trade and geopolitical issues and supply chain diversification, the decline in GCC FDI inflows is, nevertheless, the region's first since 2019. A sizeable drop in FDI inflows to Saudi Arabia was the main reason. Inflows more than halved to \$12.4 billion in 2023 from \$28.1 billion in 2022. In contrast, the UAE witnessed record FDI inflows of \$30.7 billion (+35% y/y) and Kuwait saw its FDI reach an 11-year high of \$2.1 billion (KD640 million), which helped lift its ranking in the GCC from 6th to 5th place – when accounting for the fact that Qatar once again recorded negative FDI inflows (disinvestment) of \$474 million. In terms of FDI outflows in 2023, however, Kuwait maintained its standing as one of the region's largest outward investors, with \$11.2 billion, though this was down more than 54% on 2022's figure. The UAE overtook Saudi Arabia in 2023 to be the GCC's largest foreign investor, with \$22.3 billion (-10.1% y/y).

**Chart 1: GCC FDI flows**  
(\$ billion)



Source: UNCTAD, World Investment Report 2024

**Chart 2: Egypt's gas production/consumption**  
(Bcf/d)



Source: Haver

**Egypt: Power cuts extended by 1 hour amid spiking electricity consumption.** The government was forced to extend the duration of daily power cuts by one hour to three hours to the end of the current week due to surging electricity consumption exacerbated by a recent heatwave. Fuel oil and natural gas, the primary feedstocks for electricity-generating power stations (generating 60% of all electricity) have been in short supply amid declines in natural gas production, difficulties in remunerating partner international energy companies with foreign currency that has been in limited supply and rising domestic consumption. Production of natural gas is down almost 20% y/y to around 5.0 billion cubic feet per day (bcf/d), leaving Egypt with little choice but to import about a sixth (1.1 bcf/d) of its daily natural gas consumption (6.1 bcf/d, up 3.4% y/y).

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through the Israeli/Jordanian pipeline network and to consider augmenting this with LNG imports as well (Egypt is a minor exporter of LNG).

**China: Authorities propose reducing tariffs on German automakers.** The Chinese authorities, looking to head off a plan by the EU to impose tariffs of up to 48% on EVs manufactured in China by appealing to German car manufacturers, have proposed reducing tariffs on luxury European cars imported into China. Passenger car imports to China from the EU are subject to a 15% levy currently. German automakers including BMW AG and Mercedes-Benz Group AG had voiced their opposition to the EU's tariff hike decision last week, fearing tit-for-tat levy increases on their car exports to China in retaliation, a considerable export earner for the country. China is hoping that the German car lobby will be able to apply sufficient pressure on the German government to press the EU to cancel its planned tariff hike.

## Daily market indicators

Stock markets	Index	Change (%)		
		Daily	YTD	
<b>Regional</b>				
Abu Dhabi (ADI)	9,022	0.10	-5.80	
Bahrain (ASI)	2,038	-0.10	3.37	
Dubai (DFMGI)	4,000	-0.30	-1.47	
Egypt (EGX 30)	26,902	-0.59	8.33	
GCC (S&P GCC 40)	676	1.59	-5.14	
Kuwait (All Share)	6,994	-0.21	2.59	
KSA (TASI)	11,697	-0.28	-2.26	
Oman (MSM 30)	4,622	-0.75	2.40	
Qatar (QE Index)	9,772	0.57	-9.77	
<b>International</b>				
CSI 300	3,477	-0.54	1.33	
DAX	18,326	0.89	9.40	
DJIA	39,411	0.67	4.57	
Eurostoxx 50	4,951	0.89	9.49	
FTSE 100	8,282	0.53	7.09	
Nikkei 225	38,805	0.54	15.96	
S&P 500	5,448	-0.31	14.22	
3m interbank rates		%	Change (bps)	
			Daily	YTD
Bahrain	6.35	0.00	-17.40	
Kuwait	4.31	0.00	0.00	
Qatar	6.00	0.00	-25.00	
UAE	5.16	-12.57	-3.75	
Saudi	6.23	-3.57	3.78	
LIBOR	5.60	-0.40	1.32	
SOFR	5.34	-0.29	1.31	

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.91	-3.00	58.9
Oman 2027	5.52	-5.00	36.3
Qatar 2026	5.09	0.00	57.1
Kuwait 2027	4.98	-2.00	64.0
Saudi 2028	5.01	-1.00	48.9
<b>International 10YR</b>			
US Treasury	4.23	-2.33	37.3
German Bund	2.42	1.15	39.1
UK Gilt	4.08	0.30	54.0
Japanese Gvt Bond	0.99	2.00	37.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.06	-0.18
KWD per EUR	0.33	0.32	-0.48
USD per EUR	1.07	0.38	-2.75
JPY per USD	159.59	-0.13	13.14
USD per GBP	1.27	0.27	-0.39
EGP per USD	48.27	0.35	56.47

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	86.01	0.90	11.64
KEC	86.88	-0.30	9.20
WTI	81.63	1.11	13.93
Gold	2330	0.59	12.98

Quoted prices/rates collected after close of last trading day (or are most recent available)

Source: Refinitiv / Haver

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