
Macroeconomic indicators - Saudi forecast to grow at 4pct in 2010

Thursday, 12 Nov, 2009

Arab News reported that Saudi economy is poised to grow by 4% in 2010 while it is projected to register real GDP contraction of 0.9% of 2009.

Mr Said Al Shaikh senior VP and chief economist of the National Commercial Bank said that “Non oil GDP growth is projected at 3.3% in 2009 and is expected to improve marginally to 4.2% in 2010.”

The BOI survey for Q4 was conducted in October in a scenario of growing optimism amid revival of the global economy on the back of increasing demand and curtailment of uncertainty in the financial markets. The survey showed that in line with the pickup in global economic activity, the respondents from the non hydrocarbon sector in Saudi Arabia have displayed a rise in expectations for sales volume and the selling prices.

These 2 factors are contributing to an improved outlook for profitability of Saudi businesses in the upcoming quarter. On the other hand, surging oil prices have enhanced the outlook of the hydrocarbon sector on the back of which the business optimism regarding profitability has gone up from the Q3 level of 38 to 48 in Q4.

Mr Said Al Shaikh said that “The Q4’s Business Optimism Index shows how the business sentiment in Saudi Arabia is influenced by the developments in the world economic outlook and the general atmosphere of the international markets.

(Sourced from Arab News)

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