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Gulf Center for Economics and Business Research

GLOBAL ECONOMIC OUTLOOK 2021: GULF

Gulf Region at a Familiar Crossroads: Oil Dependence or Diversification


GULF

This publication is part of a suite of reports on the Global Economic Outlook. To access the Chief Economist's *StraightTalk*® and the outlook for China, the Gulf Region, and the United States, visit: https://conference-board.org/topics/global-economic-outlook

Insights for What's Ahead

- The dual shock of the COVID-19 pandemic and the collapse of oil demand and prices will result in a 5 percent contraction in the Gulf region's[1] GDP in 2020—a sharper contraction than the 3.4 percent dip forecasted for emerging and developing economies. However, GDP growth should rebound to a 2.2 percent growth rate in 2021.
- The short-term outlook is consistent across the six Gulf countries, marked by high fiscal deficits and increasing debt levels, reform efforts, the nationalization of labor, and continuous support to the private sector to weather the aftermath of the pandemic. Prospects for longer-term growth are contingent on the success of diversification efforts away from oil. However, Gulf governments will continue to resort to traditional policies of streaming oil revenues back into the economy through project awards to boost consumer demand rather than investment in diversification.
- Bahrain's GDP is set to contract by 4.7 percent in 2020 before bouncing back to a 3.1 percent growth rate in 2021. The $120 billion GCC stimulus package, pledged at the onset of the pandemic, will continue to provide the financial buffer needed to overcome the economic impairment caused by COVID-19 and provide continued funding for select ongoing infrastructure projects.
- Kuwait's annual GDP growth will average -0.1 percent for the period from 2020 to 2023, a serious slowdown from previous growth rates. Productivity will remain subdued in the near future, curbing GDP growth momentum.

This publication has been produced with the support of the Kuwait Foundation for the Advancement of Sciences (KFAS) and the Kuwait Banking Association. The contents of this publication are the sole responsibility of The Conference Board and can in no way be taken to reflect the views of KFAS or the Kuwait Banking Association.

1 The Gulf region is comprised of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia (KSA), and the United Arab Emirates (UAE). Our aggregate Gulf estimates include all six countries.

- Oman's average growth rate for the period from 2020 to 2023 is forecast at 1 percent, followed by a faster recovery in the period from 2024 to 2030 as improvements in workforce skills, digital transformation, technology, and innovation enhance productivity.
- For Qatar, the period from 2020 to 2023 will be marked by a flat GDP growth rate of 0.3 percent with capital remaining the main growth driver during this period. With projects related to the 2022 FIFA World Cup almost complete, labor quantity is expected to decline significantly. Growth is expected to remain subdued at 1.5 percent between 2024 and 2030.
- Saudi Arabia's average annual GDP growth will remain flat between 2020 and 2023 as the economy battles to recover the loss in productivity incurred during the COVID-19 pandemic in the upcoming years. Acceleration in total factor productivity (TFP) and capital and labor quantity will occur between 2024 and 2030 with the full development of a corporate governance framework that will be more conducive to productivity and innovation. This framework would improve the business environment and attract private as well as foreign investment as outlined in the Vision 2030.
- In the short-term, UAE GDP is expected to remain flat between 2020 and 2023, logging an average annual growth rate of 0.8 percent with capital quantity as the main driver of growth. Annual GDP growth will accelerate between 2024 and 2030, averaging 2.8 percent, supported by quantitative (mainly capital) and qualitative drivers of growth (such as TFP and labor quality).

Gulf Region Overview: Depleted Oil Revenues Raise Liquidity and Currency Risks

The Gulf countries are faced with severe economic fallout from the pandemic and the unprecedented supply shock caused by stringent COVID-19 containment measures. This will translate into a 5 percent contraction in the region's GDP in 2020, a sharper contraction than the 3.8 percent forecast for all emerging and developing economies. All six Gulf countries will see a contraction in their GDP in 2020, although the individual results will be uneven. In 2020, we expect Kuwait's GDP to contract by 6.5 percent, the largest decline in the region. Qatar's GDP is expected to contract by 3.1 percent.

In response to the ripple effects of the global pandemic on their economies, Gulf governments quickly resorted to their conventional tactics of tightening budgets and increasing borrowing, or tapping their sovereign wealth funds amid expectations that oil prices would rebound in a year or two. However, this time, the results of this strategy may not be as anticipated since domestic demand is weak and will take time to recover from the Q2 shock despite the rebound in Q3.

Gulf governments rushed to protect national employment and accelerate workforce nationalization programs. They also undertook reforms to lower public sector wages and subsidy bills by supporting the private sector, including raising the VAT tax from 5 percent to 15 percent and suspending the mandated cost of living allowance for the public sector in Saudi Arabia. Bahrain has increased electricity and water tariffs, while Oman is about to introduce an excise tax after lowering public sector wages by 23 percent. Kuwait and Qatar focused more on pushing the labor nationalization agenda which will translate into large wage and subsidy bills despite limited oil revenues. As a result, double-digit deficits are expected in the region, with the exception of Qatar which has large financial buffers and the lowest breakeven oil price of $40/bbl in the region.

Depleted oil revenues are pushing liquidity and currency risks higher. Debt levels in the region are trending upward and are expected to soar in 2020 and 2021 to cover fiscal deficits, while foreign exchange reserves are declining to cover imports. Although Saudi Arabia has the largest foreign exchange reserves in the region, enough to cover more than 38 months of imports, other countries are not well positioned to weather the currency risk for any length of time.

Regionally, a stronger rebound in economic growth is expected in 2021 at around 2.2 percent, driven mainly by an improving global market for oil. However, growth is not expected to reach prepandemic levels for both demand and price. The recovery trajectory remains uncertain and dependent on restored consumer and business confidence and the return of foreign investment to the region. Consequently, GDP growth in the region is forecasted at 2 percent per year in both 2022 and 2023, leading to an average of 0.3 percent over the whole period from 2020 to 2023.

The Long-term Outlook Remains Uncertain Despite the Government's Commitment to Diversification

Given current oil market dynamics, the changing geopolitical scene in the Gulf region, and its fiscal deficits, the region will eventually face daunting economic challenges if diversification and reform programs are not accelerated. Low productivity, unemployment, and suppressed demand are enough to push economic growth below its long-term potential of 3.5 to 4 percent. We posit that the accumulated wealth throughout the last two decades will likely be spent on public employment, subsidies, and capital expenditures. This approach will curtail productivity even more.

Although the 2014–2016 oil shock managed to put diversification plans at the top of the agenda, growth in the region is still driven by oil demand, and the financial wealth of the region would be depleted by 2034 given the current fiscal spending rate.[2]

Looking ahead to the five-year period after 2023, average annual GDP growth for the region will accelerate to 2 percent between 2024 and 2030, up from the 0.3 percent growth rate between 2020 and 2023, as governments attempt to boost domestic demand by awarding infrastructure, construction, utility, and renewable energy projects. However, this is only possible if oil prices remain above the fiscal breakeven oil price of the individual country (for Qatar: $39.9/bbl, for Bahrain: $95.6/bbl) and debt levels stay within an acceptable range of 40-50 percent.[3] Therefore, this repeated approach remains a risky growth strategy because it continues to subject economic growth to volatility in the oil market.

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2 Tokhir N Mirzoev, Ling Zhu, Yang Yang, Tian Zhang, Erik Roos, Andrea Pescatori, Akito Matsumoto, "The Future of Oil and Fiscal Sustainability in the GCC Region," International Monetary Fund, February 6, 2020.

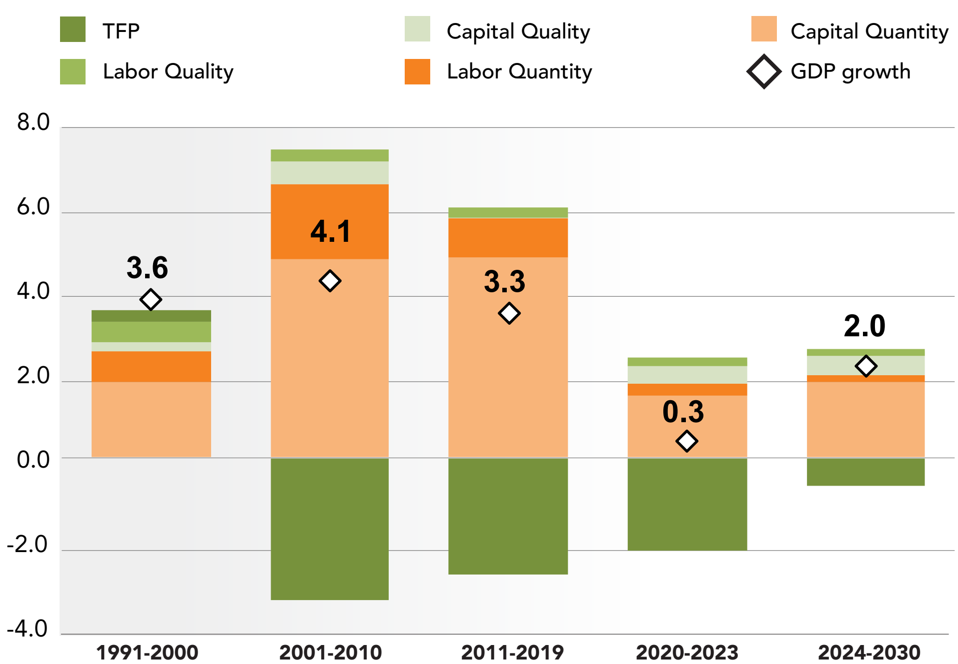
3 Carlo Cottarelli, "From Stimulus to Consolidation: Revenue and Expenditure Policies in Advanced and Emerging Economies," IMF, 2010.

Total factor productivity (TFP), a measure of long-term efficiency and innovation, is a source of sustainable growth in the long term for many economies as well as those in the Gulf region. Digital transformation, which can drive up TFP, requires increased labor quantity and quality. However, the slowdown in capital quantity in the region and the push for nationalization programs resulting in less expat labor coming into the region, will create drags on TFP gains. While overall TFP growth has the potential to continue to improve in the region—helped by the developments in digital transformation— it will remain a drag on GDP growth. The drag is mainly due to the government creation of redundant jobs to bolster employment, capital being attracted to less productive sectors like real estate, and the lack of privatization of public sector services.

Chart 1

Capital remains the main driver of growth for the region as decoupling the economy from oil policies takes longer to bear fruit

Contribution of factor inputs, input quality, and efficiency changes to Gulf region GDP growth



Notes: See box “Drivers of growth in the Global Economic Outlook model” for more detail on the concepts used; GDP growth is presented as percent change; the components that makeup GDP growth are presented as log changes and therefore will not add up to GDP growth, which is shown as a percentage change.
Source: The Conference Board Global Economic Outlook 2021

Drivers of growth in the Global Economic Outlook model

In the Global Economic Outlook, we identify three factors from the supply side which determine GDP growth. These factors are labor, capital, and total factor productivity (TFP). Labor and capital in turn are divided up into a quantity and a quality factor. According to our model, GDP growth can be expanded by increasing these factors:

- **Total factor productivity (TFP)** The combined effects of technological change and innovation as well as increased efficiency in the production process
- **Labor quality** Upskilling the workforce, for example through education
- **Capital quality** Enhancing the capital stock, for example by investing more in information and communication technology (ICT) assets
- **Labor quantity** Adding more workers or hours worked
- **Capital quantity** Using more capital, for example investing in buildings, machinery, and equipment

Gulf Region Country Analysis and Outlook

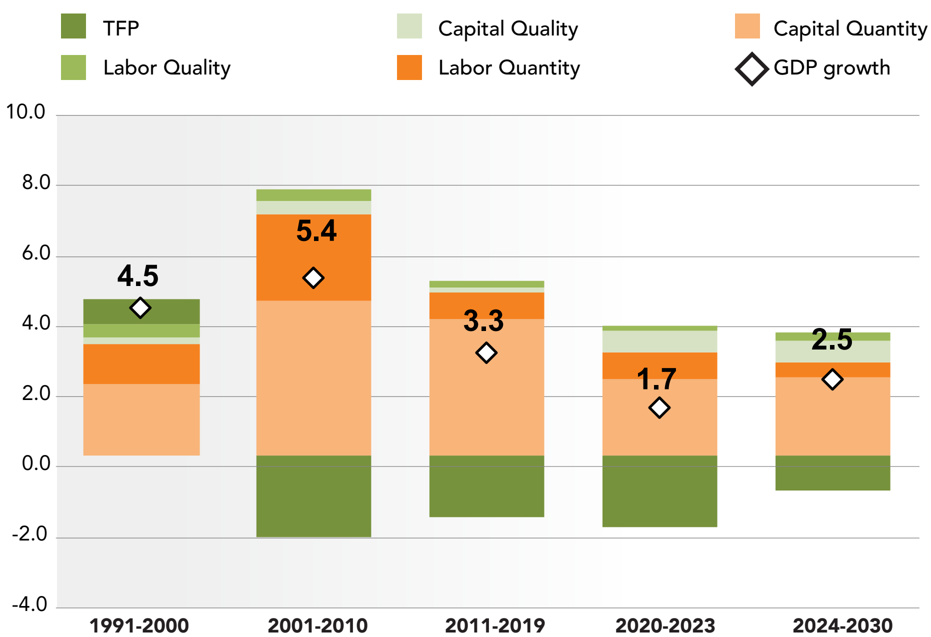
Bahrain: Digital transformation to spur growth in 2024 and beyond

Bahrain's GDP is set to contract by 4.7 percent in 2020 before bouncing back by 3.1 percent in 2021. The timing of the COVID-19 crisis could not be worse for Bahrain. Before COVID-19, the oil sector was going through significant infrastructural and legislative changes that would boost its contribution to GDP. However, the OPEC+ agreement from May 2020 to cut production for the upcoming 18 months, will negatively impact the sector and its ongoing projects. Kuwait, Saudi Arabia, and the United Arab Emirates remain committed to supporting Bahrain's funding requirements needed to overcome the economic impairment caused by the 2014–2015 oil collapse through the $10 billion financial aid package agreed upon in 2018.

Chart 2

Quantitative drivers of growth to support Bahrain GDP

Contribution of factor inputs, input quality, and efficiency changes to Bahrain GDP growth



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Source: The Conference Board Global Economic Outlook 2021

Annual GDP growth for the period from 2020 to 2023 will average 1.7 percent, supported by the quantitative drivers of growth (labor and capital quantity). The qualitative drivers will improve slightly in this period as the financial sector, the second largest non-oil sector in the country, adopts more fintech and innovative solutions with the support of Bahrain's regulatory sandbox.[4] As a result, productivity and the quality of labor and capital will improve between 2024 and 2030, pushing the average annual growth rate to around 2.5 percent.

4 The Regulatory Sandbox is a virtual space for the Central Bank of Bahrain, licensed financial institutions, and other firms to test their technology-based innovative solutions relevant to finTech or the financial sector. It also provides a regulatory framework needed for finance-related technologies.

Kuwait: Fiscal consolidation to limit 2021 rebound

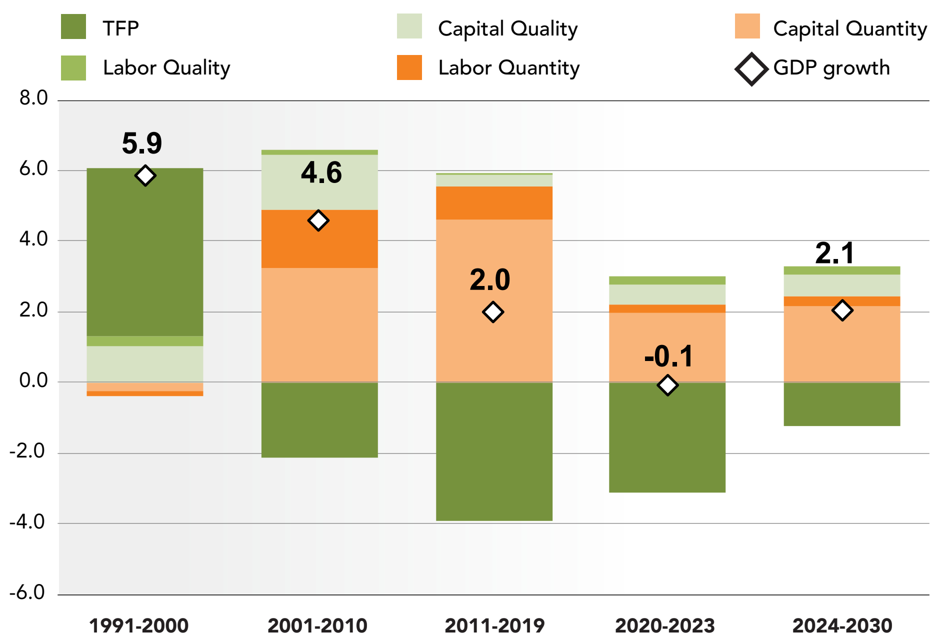
Kuwait is expected to face the sharpest GDP contraction in the region at 6.5 percent in 2020, while the contribution of the oil sector to GDP growth is estimated at -8.5 percent. Kuwait has voiced the need for reforms and diversification away from oil for many years with little effect. Twelve years since the 2008 financial crisis, oil remains the main source of revenue for the government, while its wage bill alone has grown 1.5 times. Government revenues have remained within the same bracket with the exception of the years where oil prices were above $100/bbl.

Recently Moody's downgraded Kuwait's ratings from Aa2 to A1, with a stable outlook because of the increased liquidity rise the country is facing and the political deadlock that is preventing the government from issuing more debt.[5] Kuwait is expected to post a budget deficit of 36 percent of GDP in 2020 with limited resources to fund the gap. Recently, parliament rejected a move to transfer 10 percent of 2020's oil revenues to the Future Generation Fund (FGF) and decided to draw back the 2019 FGF transfer to replenish the depleted General Reserve Fund up to December 2020. The new debt law, allowing the government to tap the debt market up to KWD 20bn (USD 65.3bn), is still facing a political deadlock and will be only enough to meet the funding requirements of the upcoming three fiscal years as per Moody's recent report. The heightened liquidity risk will dampen GDP growth, from -6.5 percent in 2020 to 1.1 percent in 2021, marking the lowest rebound in the region.

Chart 3

Kuwait's productivity growth will remain subdued in the near future

Contribution of factor inputs, input quality, and efficiency changes to Kuwaiti GDP growth



Notes: See box "Drivers of growth in the Global Economic Outlook model" for more detail on the concepts used; GDP growth is presented as percent change; the components that makeup GDP growth are presented as log changes and therefore will not add up to GDP growth, which is shown as a percentage change.
Source: The Conference Board Global Economic Outlook 2021

5 Paul Abelsky, "Kuwait Gets First Moody's Downgrade Over 'Liquidity Risks," Bloomberg, September 22, 2020.

Kuwait's annual GDP growth will average -0.1 percent for the period 2020–2023, a serious slowdown from previous growth rates. Digital transformation will slowly take hold in Kuwait with labor and capital quality marginally contributing to GDP growth during this period. Capital quantity will remain the main driver of growth, although its contribution has decelerated from the previous decade. Productivity will remain subdued in the near future, curbing GDP growth momentum. Qualitative investment opportunities are scarce in Kuwait, despite the Vision 2035 program to promote private sector activities, attract foreign direct investments, and improve the ease of doing business in the country.

Kuwait's GDP growth is forecasted to pick up from 2024 to 2030 at an average annual rate of 2.1 percent. Improvement in productivity and capital quantity will be the main drivers of growth during that period. Labor quantity contribution will remain limited as the government is taking serious steps to accelerate nationalization programs and provide future opportunities for young graduates in the private sector.

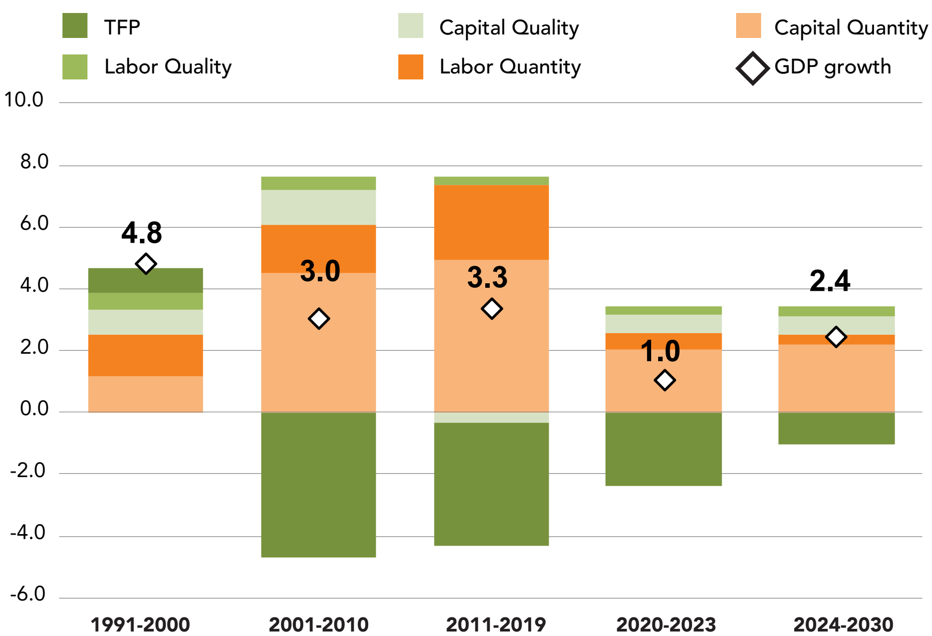
Oman: Accelerated growth beyond 2024

The year 2020 was supposed to mark the kickoff of Oman Vision 2040. The preliminary economic targets of the vision entail raising real GDP growth by 5 percent annually between 2020 and 2040 with fiscal balance deficits not to exceed 3 percent of GDP. The COVID-19 pandemic has caused a setback to the Vision and highlights the urgency for diversification away from the hydrocarbon sector. Oman's GDP is expected to contract by 3.5 percent in 2020 followed by a 1.6 percent recovery in 2021. GDP growth is expected to accelerate at a pace of 3 percent in subsequent years, pushing the average growth rate for the period from 2020 to 2023 to 1 percent. Oman is set for a faster recovery in the period 2024–2030, supported by improvements in productivity. Improvement in workforce skills, digital transformation, technology, and innovation will provide the needed boost for the Omani economy. Quantitative factors are expected to maintain a steady growth rate as during the previous period (2020–2023).

Chart 4

Improvement in workforce skills, digital transformation, and innovation will boost productivity in the medium term

Contribution of factor inputs, input quality, and efficiency changes to Oman GDP growth



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Source: The Conference Board Global Economic Outlook 2021

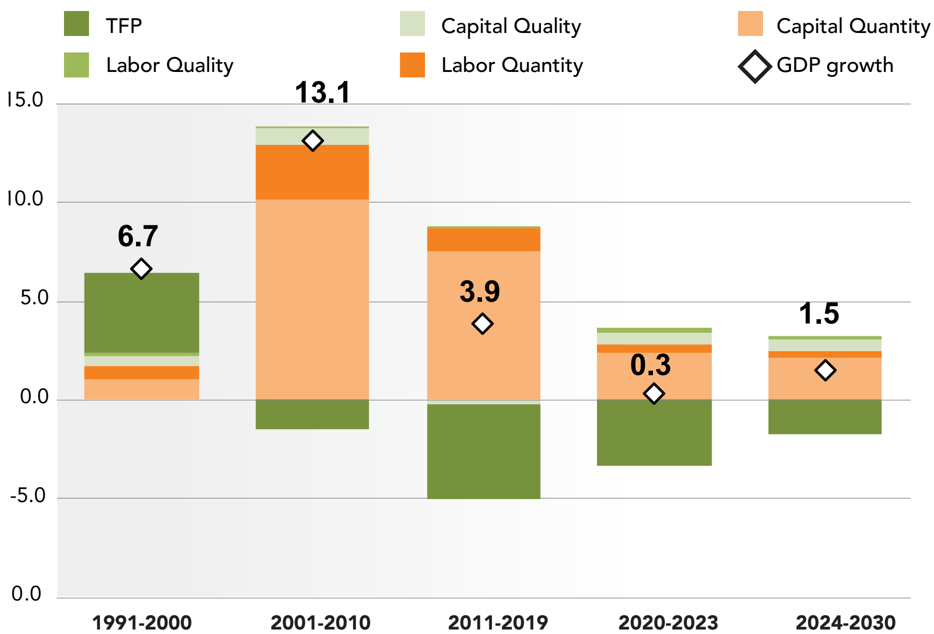
Qatar: Smallest contraction across the Gulf region in 2020

Qatar's GDP is set to fall by 3.1 percent in 2020 followed by a mild recovery in 2021. COVID-19 mobility restrictions adversely affected the demand for gas and LNG prices, which in turn reduced the government's revenues and widened the trade deficit. Meanwhile, subdued domestic demand and slower local and foreign investment will be a drag on the non-oil sector, which may contract by 4.9 percent in 2020.

Chart 5

Qatar's productivity recovery to remain weak in the upcoming years

Contribution of factor inputs, input quality, and efficiency changes to Qatar GDP growth



Notes: See box "Drivers of growth in the Global Economic Outlook model" for more detail on the concepts used; GDP growth is presented as percent change; the components that makeup GDP growth are presented as log changes and therefore will not add up to GDP growth, which is shown as a percentage change.
Source: The Conference Board Global Economic Outlook 2021

The period between 2020 and 2023 will be marked by flat GDP growth of 0.3 percent, with capital remaining the principle driver of growth during this period. Similar to neighboring countries, Qatar has developed its own Vision 2030 that encompasses an ambitious infrastructure plan in preparation for the 2022 FIFA World Cup, along with developments in the LNG sector to regain its position as the world's biggest LNG exporter. Productivity will remain an impediment to growth as most of the infrastructure projects planned are capital-intensive. With World Cup projects near completion, labor quantity is expected to decline significantly as skilled expat workers return home. In the longer term, growth is expected to remain subdued at 1.5 percent between 2024 and 2030.

Saudi Arabia: Vision 2030 targets stalled

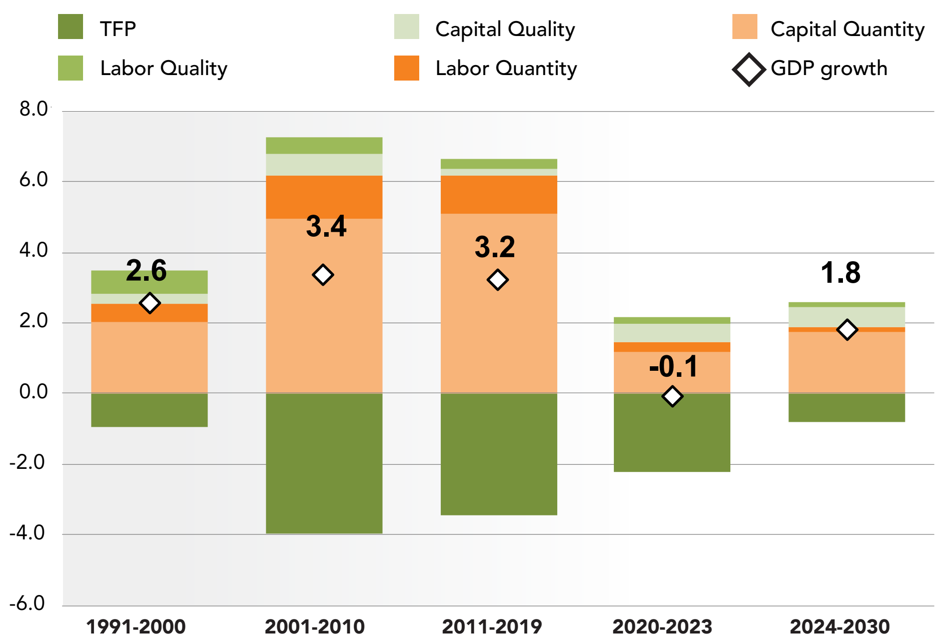
Saudi Arabia's GDP is set to contract by 4.9 percent in 2020 compared to 2019. The recent 20 percent oil production cut between May and December 2020 and the low oil price environment will result in a 7.5 percent contraction in oil-related GDP in 2020 compared to the previous year. Similarly, a steep deceleration in the nonhydrocarbon sector economic growth of 4.4 percent in 2020 is anticipated because of pandemic containment measures, slower global trade, disruptions of tourism, and weak consumer demand. Saudi Arabia was on track to revive the private sector and push its contribution to around 65 percent of GDP through the reform programs of Vision 2030. However, this goal is now challenged.

This ambitious vision was designed after the oil price crash from 2014 to 2016 as the need for decoupling economic growth from the oil market became even clearer. Vision 2030 encompasses multiple pillars, mainly establishing a balanced fiscal budget, increasing the participation rate and employability of Saudi nationals, nurturing the development of the SME sector, and privatizing certain industries, while attracting greater foreign investment. The plan also calls for repurposing the Public Investment Fund and developing giga projects on the west coast of the country. These projects include the Qiddiya Entertainment City, NEOM, the Red Sea Project, and the Amaala resort that would transform Saudi Arabia into a regional touristic hub.

Chart 6

Capital quantity will contribute less to growth in the future as TFP gathers momentum

Contribution of factor inputs, input quality, and efficiency changes to Saudi Arabia GDP growth



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Source: The Conference Board Global Economic Outlook 2021

Under current circumstances, committing to the Vision 2030 program would entail significant government spending while the national budget is in steep deficit. Saudi Arabia's budget deficit for the first half of 2020 reveals a 49 percent decline in oil revenues and a deficit of SAR 272 billion. The deficit is estimated to increase further to surpass SAR 400 billion or 12 percent of GDP by the end of the fiscal year.

Saudi Arabia's average annual GDP growth will remain flat between 2020 and 2023 as the economy battles to recover the loss in productivity incurred during the COVID-19 pandemic and its aftermath. Limited foreign and local (mainly government) investment will restrict the capital and labor quantity contributions to GDP growth between 2020 and 2023 to 1.5 percent compared to 6.2 percent between 2011 and 2019. Although we would assume an acceleration of the labor nationalization program in the wake of the pandemic, sectors that are witnessing an exodus of expat labor, including the transportation sector, the retail sector, and the tourism sector, will probably not be hiring until consumer demand is back on a steady recovery path, which is likely only at the end of 2021 or the beginning of 2022.

Accelerated digital transformation is expected to boost the qualitative factors that drive GDP growth such as labor quality and ICT capital deepening. However, in the short term, the contribution of qualitative drivers will remain limited since cash is scarce, and businesses are struggling to find the financing needed to start or even continue the digital transformation journey. Total factor productivity (TFP) will continue to improve in the upcoming years, even if it remains in negative territory at -2.2 percent between 2020 and 2023, despite the 1.2 percentage point improvement from the previous period (between 2011 and 2019). Currently, the fintech industry is leading the way in Saudi Arabia with the support of the Saudi Arabian Monetary Agency (SAMA) and the Capital Markets Authority (CMA). Other supports include universities in the country, the launch of a regulatory sandbox, a fintech lab, and accelerator programs.

Economic growth will eventually accelerate between 2024 and 2030 at an average annual growth rate of 1.8 percent. However, output will remain substantially lower than its long-term potential with capital quantity substantially reduced as the petrodollar state takes a longer time to decouple from oil. Acceleration of TFP and quality of capital and labor will occur between 2024 and 2030 with the full development of the regulatory framework and the improvement in the business and investment environment.

United Arab Emirates: Innovation to drive growth beyond 2024

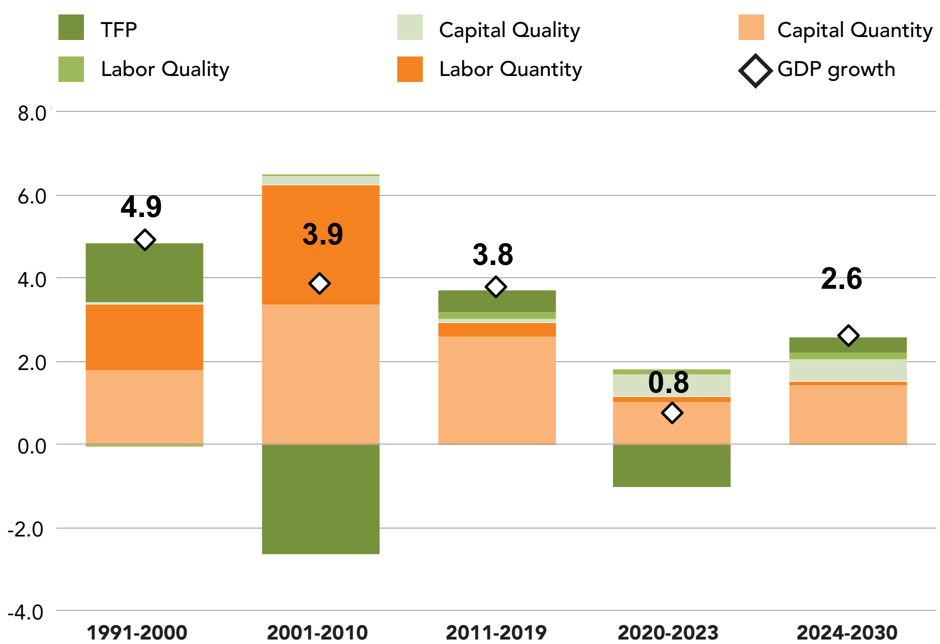
United Arab Emirates' GDP growth is forecast to decline by 6 percent in 2020, pulled down by both the oil and non-oil sectors. Given its outsized tourist and trade sectors, the UAE was among the first Gulf countries to feel the ripple effects of COVID-19. The pandemic struck just as the country was gearing up to welcome more than 20 million tourists and inaugurate the Expo 2020 world fair in October 2020. As a result, non-oil GDP will decline by 5 percent in 2020. The COVID-19 support packages offered by the government to assist the private sector and SMEs include alleviating taxes, suspension of fees, further subsidies of electricity and water, and provision of credit and liquidity to the sectors most affected.

The non-oil sector is already on the recovery path, with the easing of restrictions and the resumption of aviation activity. The revival of this sector is highly contingent on the availability of mass vaccination and a flattened coronavirus curve, which will improve business confidence and permit the return of foreign investment, tourists, and rescheduling of the postponed Expo in 2021. The recent surge in COVID-19 new cases in the country prompted the government to grant the use of a COVID-19 inactivated vaccine developed by the Chinese state-owned pharmaceutical company Sinopharm, with the hope of limiting the impact of the second wave.[6]

Chart 7

UAE to witness positive growth in TFP between 2024 and 2030

Contribution of factor inputs, input quality, and efficiency changes to Saudi Arabia UAE growth



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Source: The Conference Board Global Economic Outlook 2021

6 Natasha Turak, "The UAE Has Approved a Chinese-Made Coronavirus Vaccine for Emergency Use," CNBC, September 15, 2020.

In the short-term, UAE GDP is expected to remain flat between 2020 and 2023, logging an average annual growth rate of 0.8 percent. Capital quantity remains the main driver of growth in the coming years, though to a lesser extent compared to the last two decades. The contribution of labor quantity to GDP is expected to be marginal, with layoffs accelerating in 2020 and early 2021.

Average TFP growth is expected to fall back to negative territory between 2020 and 2023 as government and businesses re-allocate their tight budgets to finance their operating expenditures instead of research and development. The UAE introduced the concept of innovation as a tool to build a competitive non-oil economy in 2014 as part of its Vision 2021. Since then, the country has successfully launched multiple initiatives to spread the culture of innovation within the government sector.[7] Under the "innovation pillar" adopted in 2015, the Emirates Science, Technology, and Innovation Higher Policy includes 100 national initiatives and a budget of more than USD 82 billion. The innovation pillar includes special fields such as space research, specialized aviation industries, global pharmaceutical industries, solar power, a civilian nuclear energy program, robotics, and others. The historical achievement of this policy is the successful launch of the Mars probe, named Hope, making history as the Arab world's first interplanetary mission in July 2020.[8]

All of the efforts put into innovation and the knowledge economy will come to fruition in an accelerated GDP growth rate between 2024 and 2030, averaging 2.6 percent per annum. Both the qualitative and quantitative drivers will contribute more to growth, although capital quantity will continue to contribute the most.

7 The United Arab Emirates' Government portal, "Innovation in the UAE."

8 Natasha Turak, "The UAE Successfully Launches Mars Probe, Making History for the Arab World," CNBC, July 20, 2020.

THE CONFERENCE BOARD GLOBAL ECONOMIC OUTLOOK, 2011-2030 AVERAGE ANNUAL GROWTH IN PERCENT

	2011-2019 ACTUAL GROWTH	2020 ESTIMATED GROWTH	2021 FORECAST GROWTH	2020-2023 PROJECTED GROWTH	2024-2030 TREND GROWTH
BAHRAIN	3.3	-4.7	3.1	1.7	2.5
KUWAIT	2.0	-6.5	1.1	-0.1	2.1
OMAN	3.3	-3.5	1.6	1.0	2.4
QATAR	3.9	-3.1	1.8	0.3	1.5
SAUDI ARABIA	3.2	-4.9	2.6	-0.1	1.8
UNITED ARAB EMIRATES	3.8	-6.0	1.8	0.8	2.6
GULF REGION	**3.3**	**-5.0**	**2.2**	**0.3**	**2.0**
CHINA	4.4	1.0	4.7	3.7	3.2
INDIA	6.8	-9.4	9.4	2.8	5.5
EMERGING MARKETS AND DEVELOPING ECONOMIES	**3.9**	**-3.8**	**5.0**	**2.3**	**3.5**
UNITED STATES	2.3	-3.6	3.4	1.0	1.8
EUROPE	1.6	-8.1	5.9	0.4	1.2
JAPAN	1.0	-6.0	1.7	-0.2	0.9
MATURE ECONOMIES	**1.9**	**-5.6**	**4.3**	**0.7**	**1.6**
WORLD	**2.9**	**-4.7**	**4.7**	**1.5**	**2.6**

Notes: Unless otherwise noted, Chinese data are based on alternative GDP measures. See Harry Wu, "China's Growth and Productivity Performance Debate Revisited—Accounting for China's Sources of Growth with a New Data Set," The Conference Board, 2014. The data were updated and revised in May 2020, and the historical data series are available through The Conference Board Total Economy Database™.

Source: The Conference Board Global Economic Outlook 2021

About The Conference Board Global Economic Outlook 2021

The Conference Board Global Economic Outlook 2021 provides projections for the output growth of the world economy, including 11 major regions and individual estimates for 41 mature and 36 emerging market economies for 2020-2023 and 2024-2030. The projections are based on a growth accounting model that estimates trend growth as the contributions of the use of labor, capital, and productivity to the growth of GDP. Capital and productivity growth are estimated based on a wide range of related variables during past periods. The trend growth rates obtained from the process are adjusted for possible deviations between actual and potential output. For more information, please visit The Conference Board Global Economic Outlook website https://www.conference-board.org/topics/global-economic-outlook/.

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