



بنك الإمارات دبي الوطني
Emirates NBD

North Africa Report

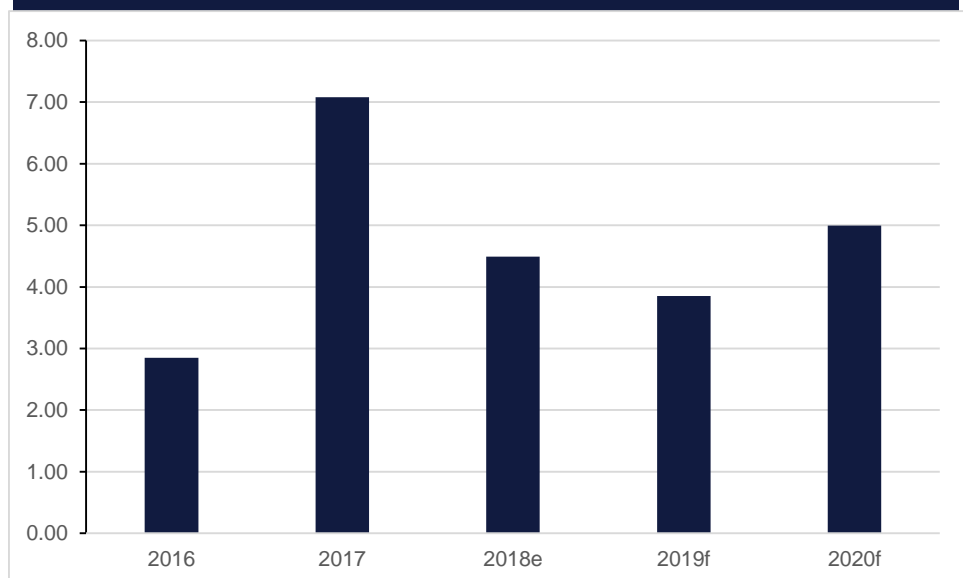
28 February 2019

Daniel Richards
MENA Economist
+971 4 609 3032
danielricha@emiratesnbd.com

North Africa Report

- **Algeria:** Algeria's economic and political landscape in 2019 will be dominated by the upcoming presidential elections. We expect that power will be retained by the ruling FLN/RND/TAJ/MPA coalition under a fifth term for President Abdelaziz Bouteflika, meaning policy continuity is likely.
- **Egypt:** We have made moderate downward revisions to our Egyptian real GDP growth forecasts since last quarter; we now project an expansion of 5.3% in the current fiscal year (ending June 2019), rising to 5.9% in 2019/20. This compares to our previous expectation of 5.5% and 6.1% respectively, and would see flat growth this year following the 5.3% growth recorded in 2017/18.
- **Morocco:** We hold to our below-consensus Moroccan real GDP growth forecast of 2.7% in 2019, from 3.0% in 2018. We expect a mild moderation this year as the agricultural sector will likely post weaker growth.
- **Tunisia:** We forecast a modest acceleration in real GDP growth in Tunisia in 2019, to 2.7% from an estimated 2.5% in 2018. In light of the wage deal struck with the UGTT in January, we have made a modest downward adjustment to our fiscal balance forecast for Tunisia, now projecting a shortfall equivalent to 4.6% of GDP, from a previous outlook of 4.3%.

Real GDP growth, % y/y



Source: Haver Analytics, Emirates NBD Research. Weighted average real GDP growth for Algeria, Egypt, Libya, Morocco, Tunisia.

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Algeria

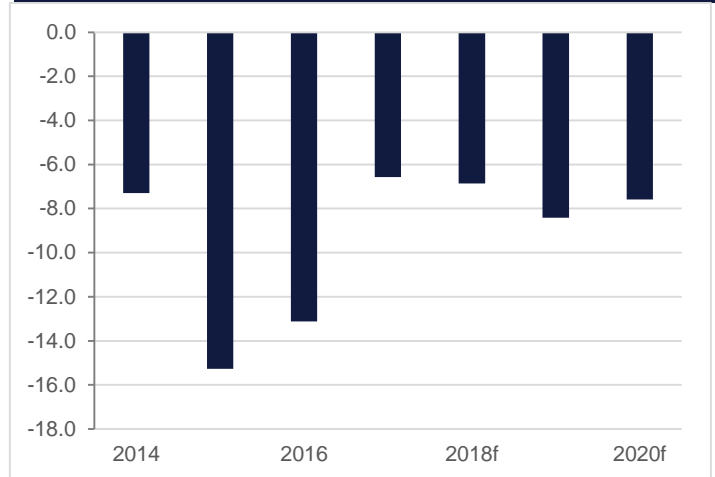
Algeria's economic and political landscape in 2019 will be dominated by the upcoming presidential elections. We expect that power will be retained by the ruling FLN/RND/TAJ/MPA coalition under a fifth term for President Abdelaziz Bouteflika, meaning policy continuity is likely. In any case, the vote appears to already be influencing economic policy, as demonstrated in the commitment to greater social spending made in the 2019 budget. This, alongside a modest expansion in oil production and ongoing public and private investment, will underpin real GDP growth this year. However, the spending stimulus will come at a cost to fiscal balances, and continued unorthodox economic policies raises the risk of higher inflation hereafter.

More of the same

Algeria's presidential elections are scheduled to take place on April 18 following an announcement by President Bouteflika in January. Despite protests since the 81-year old, physically incapacitated president declared that he would stand again, a fifth term for the incumbent remains by far the most likely outcome of the vote. Assuming there is no significant redistribution of power at the top, we expect Algeria's economic policy to remain broadly unchanged, including a continued aversion to meaningful foreign support or investment, an overreliance on the oil sector, limited success in fiscal consolidation and the ongoing pursuance of unorthodox monetary policies.

are free housing programmes and subsidies for essential consumer goods for families, and the government will likely try and accelerate this programme in an effort to diffuse the discontent, and help shore up support for the government in the run-up to the vote.

Fiscal balance, % GDP



Source: IHS Markit, Emirates NBD Research

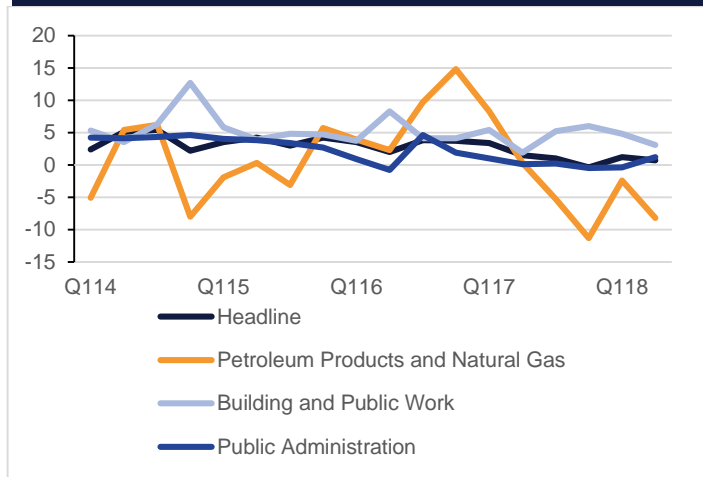
The lack of any meaningful reforms mentioned in the budget highlight the desire to maintain the status quo in this critical year; Finance Minister Abderrahmane Raouya has said that 'no taxation hikes for citizens are planned for 2019 and all the subsidies will remain unchanged.' However, coupled with lower oil prices and an ongoing capital expenditure boost, this will have an adverse effect on Algeria's budget deficit, which we project will widen from an estimated 6.9% in 2018 to 8.4% this year.

Higher oil production and expansionary fiscal policy will underpin growth

While we forecast that oil prices will be lower on average in 2019, we project that Algerian production will increase, which will provide some support to spending. From an average 1.04mn b/d in 2018, flat on the previous year, we forecast production of 1.07mn b/d in 2019, representing growth of 2.9%. This will also support real GDP growth; having averaged just 1.0% over H1 2018, we believe that this accelerated in the second half, estimating full-year growth of 1.8%. The oil sector was a drag on growth in the first half, with the petroleum products and natural gas component of GDP contracting by an average 5.3% over Q1 and Q2. However, oil production was higher in H2 than H1. In 2019, we expect that the further increase in oil production, coupled with an expansionary fiscal policy, will see real GDP growth pick up to 2.2%.

Another factor which will support stronger growth in 2019 is the government's spending programme – not only the aforementioned boost to social spending, but also ongoing capital expenditure. Private sector investment in the oil sector will also help support growth as it was announced in October that state-owned oil & gas firm Sonatrach had signed new agreements with energy majors French Total and Italian Eni for the development of offshore gas fields and petrochemicals plants.

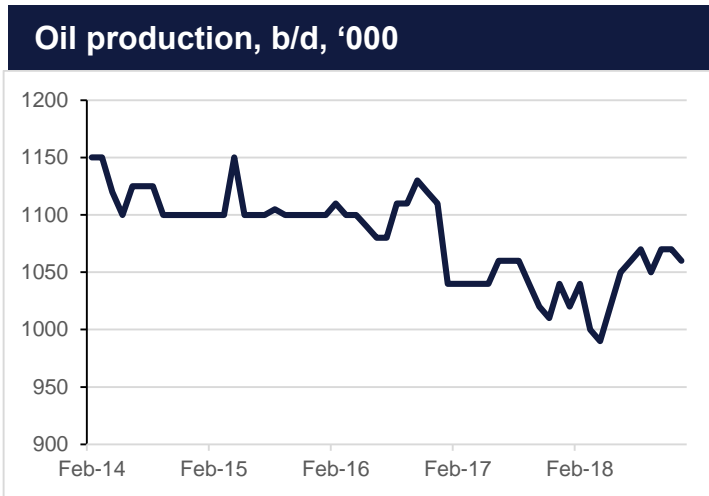
Real GDP growth, % y/y



Source: IHS Markit, Emirates NBD Research

Social spending to offset popular grievances

The protests which have been sparked by Bouteflika's candidacy follow a number of demonstrations seen around the country in 2018. The news has become a focal point for ongoing unrest, compounding prior concerns over high unemployment and dissatisfaction among workers in key sectors such as health and education. Likely already aware of this risk, in September last year the government announced a boost to social spending in its 2019 budget, in a reversal of earlier austerity measures and fiscal consolidation efforts. Among concessions made by the government



Source: Bloomberg, Emirates NBD Research

Unorthodox policies remain a tail risk

Algeria was given something of a stay of execution in 2019 as oil prices rallied to an average USD 71.8/b, compared with USD 54.8/b in 2017. We expect these to moderate to an average USD 65.0/b this year though, increasing pressure on government budgets, especially in light of plans to boost spending. Reluctant to turn to outside lenders, the government’s plan is to fund much of this through monetary financing, and the Banque d’Algérie has been buying long-dated government debt in order to fund the budget.

The IMF has been critical of this plan, given the inflationary risk this presents, but in the short-term at least, this has been averted so far, likely in part owing to stronger oil revenues in 2018. Inflation has in fact averaged just 3.6% y/y over January to November, compared to a 2017 average of 6.0%. However, as a reliance on central bank financing increases the risk of exacerbated inflationary pressures in the coming years, this could lead to weaker non-oil private sector activity as consumer demand falls, and a renewed uptick in social unrest as household budgets are squeezed.

Egypt

We have made moderate downward revisions to our Egyptian real GDP growth forecasts since last quarter; we now project an expansion of 5.3% in the current fiscal year (ending June 2019), rising to 5.9% in 2019/20. This compares to our previous expectation of 5.5% and 6.1% respectively, and would see flat growth this year following the 5.3% growth recorded in 2017/18. While no quarterly GDP data for the current fiscal year has as yet been released, we expect that the first half will have seen fairly stagnant activity at best as EM aversion and rising oil prices exacerbated domestic growth impediments related to subsidy reform and investor uncertainty.

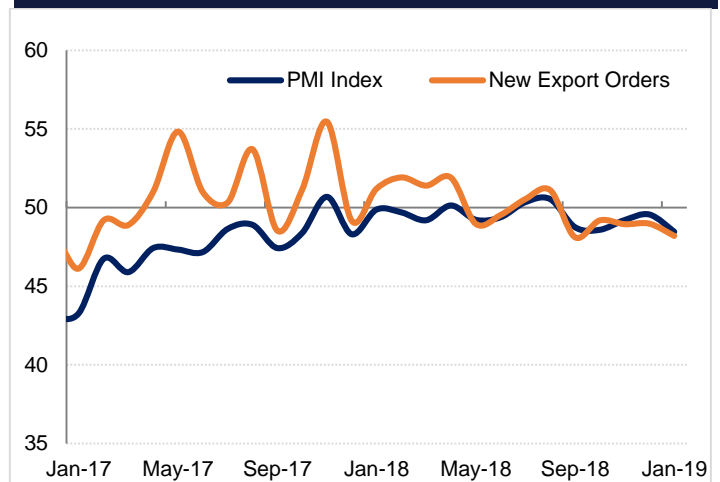
As we enter the new calendar year the outlook is moderately brighter, and we continue to see bright spots in the Egyptian economy which should elevate its performance hereafter – namely looser monetary policy, strong performances from tourism and offshore gas, and ongoing government investment.

Private sector should improve

Although the Emirates NBD Purchasing Managers' Index for Egypt's non-oil private sector enjoyed two months of over-50.0, expansionary readings in Q1 2018/19, the index has been relatively weak thereafter, remaining below the neutral 50.0 mark which delineates expansion and contraction. We believe that this will have weighed on headline GDP growth over the start of the year, contributing to our growth downgrade. Nor has H2 started well, as the index fell from 49.6 in December to 48.5 in January, the lowest level since December 2017. Weighing on the headline figure in January were the outsize output and new orders components, which both fell on the previous month. Respondents cited a number of factors behind this, including adverse weather conditions and generally poor market conditions. External demand was also weak, as export orders experienced a fall for the fifth month in a row, and business optimism among respondents fell to the lowest level since October 2016.

Nevertheless, in spite of the weak headline data, there were some improvements in the January survey, not least in prices. Input prices fell to a series low in January, led by a marked slowdown in purchase costs. These had spiked in mid-2018 as subsidy reforms led to a rapid increase in utility costs and other expenses for firms, but these inflationary pressures have begun to weaken in recent months. This in turn enabled firms to cut output prices, which posted a sub-50.0 reading for the first time. Despite upcoming inflationary pressure from subsidy reform – especially the fuel indexation mechanism - this should contribute to an ongoing moderation in CPI inflation, which fell to 12.0% in December. This potentially paves the way for the central bank to begin loosening monetary policy later in the year, which would give a much-needed boost to the private sector.

Purchasing managers' index

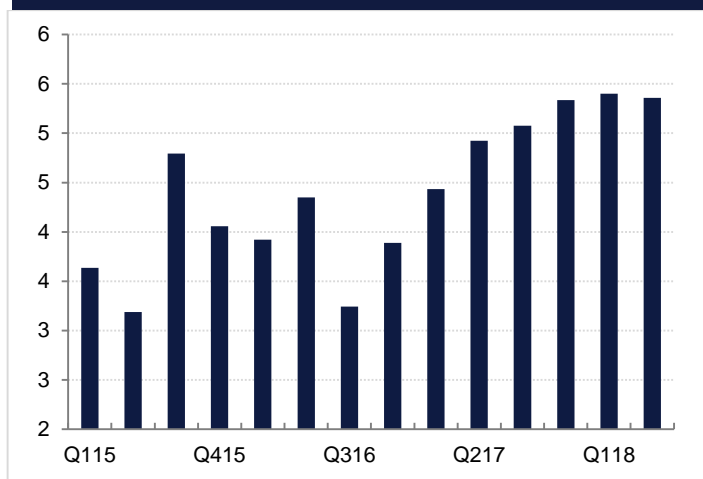


Source: IHS Markit, Emirates NBD Research

FDI underperforming

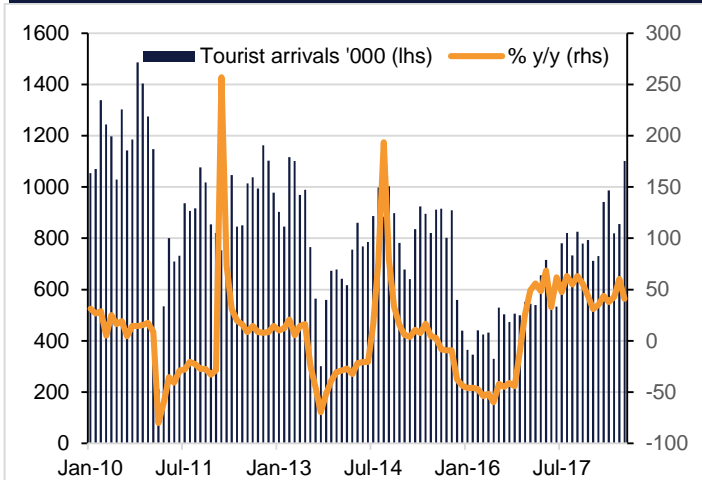
Another contributing factor to our growth downgrade has been weaker-than-anticipated FDI into Egypt. Investment generally has been the strongest growth component of GDP by expenditure, but this has been driven by government investment and foreign investment into the hydrocarbons sector, while FDI into other parts of the economy has lagged. Indeed, in 2017/18, FDI actually fell y/y, from USD 7.9bn to USD 7.7bn, and the current fiscal year has seen some negative developments; talks with international developers over the development of the new administrative capital project – China's CFLD and the UAE's Emaar – reportedly broke down in recent months. With disagreements over pricing and revenue-sharing apparently behind the collapses, their withdrawal could colour other potential investors' perceptions of Egypt, despite ongoing efforts to cut red tape. As such, we believe the government's target of USD 11bn in FDI unlikely to be met.

Real GDP growth, % y/y



Source: IHS Markit, Emirates NBD Research

Tourism improving



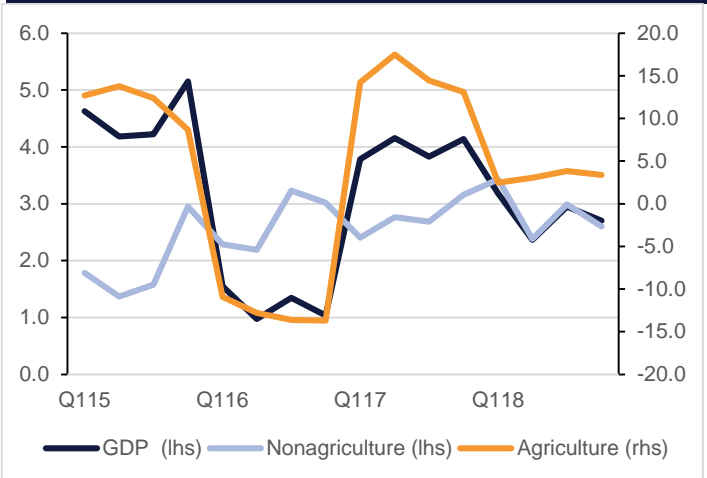
Source: Haver Analytics, Emirates NBD Research

Nevertheless, we do anticipate that there will be an improvement in FDI this year and next, more likely in the region of USD 9bn. Much of this will continue to be driven by the offshore gas sector, but we also anticipate that ongoing growth in visitor numbers should entice greater FDI into the tourism sector also. We believe that tourism generally will be a bright spot this year, despite the terrorist bombing in December which killed three tourists and their Egyptian guide in Giza in December 2018. Provided such incidents do not become more widespread, we expect further strong growth in 2018/19, following the 47.6% y/y increase recorded last year. It is not only the volume of visitors that has increased; the average night stay by tourists last year was 10.9, up from 7.8 in 2017/18. As travel restrictions introduced in 2015 are relaxed, there is potential for even stronger growth.

Morocco

We hold to our below-consensus Moroccan real GDP growth forecast of 2.7% in 2019, from 3.0% in 2018. At 2.4%, growth was particularly weak in Q2 last year, representing the slowest expansion since Q4 2016. This was in part owing to the negative impact of boycotts and protests related to prices which rocked the country in the middle of the year. With these having waned, our expectation of a stronger finish to the year was borne out, with an average 2.8% in Q3 and Q4. However, we expect a mild moderation this year, as the agricultural sector will likely post weaker growth. Below we will look at the outlook for economic growth in Morocco, from the standpoint of three sectors – agriculture, tourism, and automotives production.

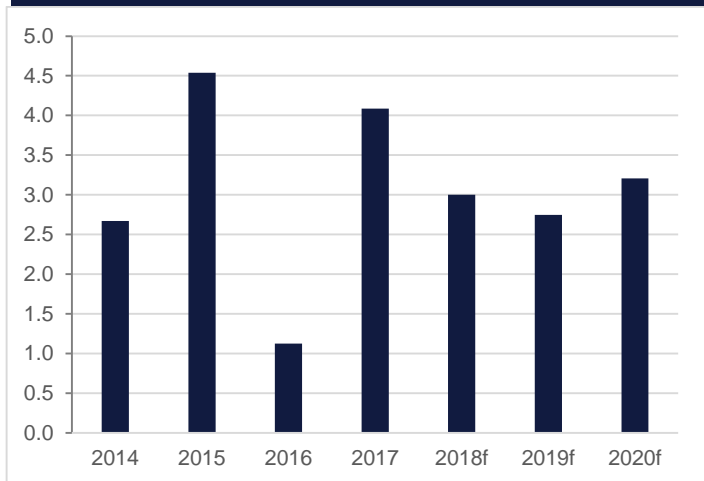
Real GDP growth, % y/y



Source: Haver Analytics, Emirates NBD Research

That being said, there remain positives related to the agricultural sector, and the authorities' awareness of its economic importance was highlighted by King Mohammed in October 2018. In his speech at the opening of parliament, the king spoke of government efforts to bolster income in rural areas, thereby creating a rural middle class. This is especially important in the wake of protests seen in recent years – in the Rif especially – and given that youth unemployment stood at dangerously high levels of 26.0% in Q4 2018. Agriculture is a labour-intensive industry which already accounts for around 40% of the total workforce. As such, government-driven projects to boost the industry should help bring down joblessness rates and boost private consumption.

Real GDP growth, % y/y

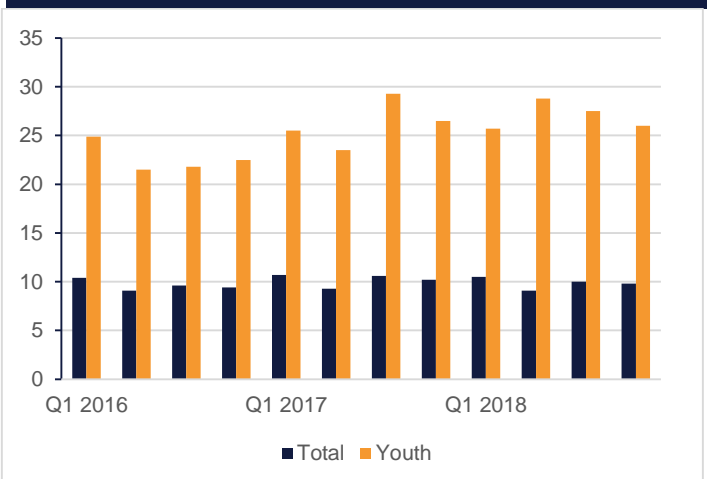


Source: Haver Analytics, Emirates NBD Research

Agriculture

The agriculture sector, which accounts for 12.9% of total output in Morocco, remains the biggest determinant of economic performance given the swings in its contribution to growth depending on weather conditions. While cereals production hit record levels in 2018, this followed an exceptional performance in 2017, meaning that growth in the sector slowed to an average 3.2% over Q1-Q4 2018, compared to 14.4% over 2017. As such, from an average of 1.9 percentage point contribution to average 3.9% headline growth over 2017, the average percentage point contribution to growth over 2018 was just 0.4, contributing to the decline in headline growth. With such exceptional harvests unlikely to be the norm, we expect that the sector will exert a further drag on growth in 2019.

Unemployment, %

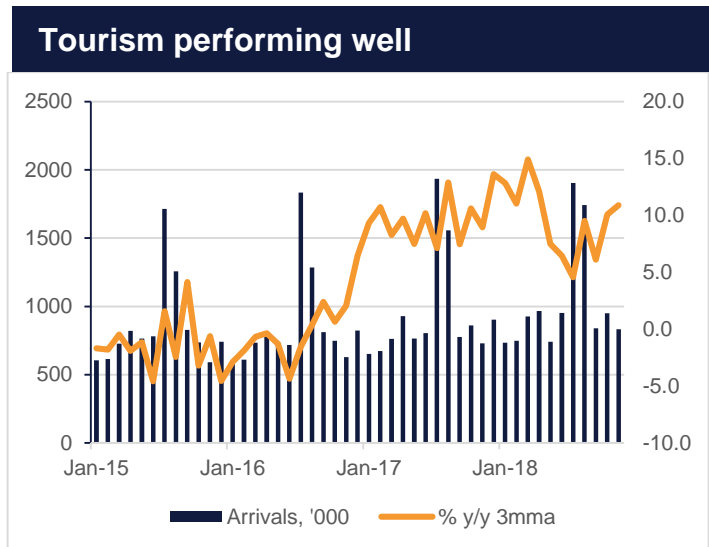


Source: Haver Analytics, Emirates NBD Research

Tourism

Over January to November 2018, visitor arrivals in Morocco hit 11.3mn, representing y/y growth of 8.5%. This sets Morocco on course to have surpassed the record 11.45mn visitors recorded in 2017, and a number of ongoing developments and investments in

the industry should ensure continued robust expansion over the coming years, supporting headline GDP growth.



Source: Haver Analytics, Emirates NBD Research

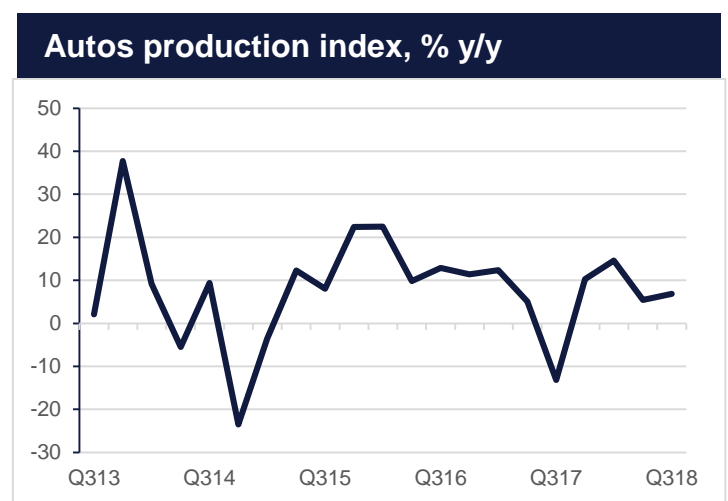
Over the eight quarters to Q3 2018, real growth in the Hotels & restaurants component of GDP averaged 9.2% y/y. Given that the World Travel & Tourism Council calculate that the tourism industry made a total (direct and indirect) contribution of 18.5% to GDP in 2016, and that its contribution to employment is equally important (direct employment of 819,000 jobs, representing 7.1% of jobs, while total jobs numbered 1.9mn, 16.6%), a strong performance by the sector is a bonus for the economy as a whole.

Cognizant of this, the authorities have been pursuing a number of strategies for boosting visitor numbers as part of the tourism ministry's Vision 2020, which aims to increase visitors to 20mn a year. While this figure will not be realised in the near term, the plan is seen as a strong motivator for firms to boost their output. One of the strategies being pursued is diversifying the source of visitors, with a particular focus on boosting Russian and Chinese visitors, who still only account for around 1% of the total. In June 2016, visa requirements for Chinese tourists were scrapped, which has reportedly led to a boost in their numbers. Wealthy Gulf tourists are also being targeted, with a You Go Morocco 2018 show held in Casablanca in October aimed at Saudi Arabian and UAE nationals in particular. This will help insulate the sector from any future downturn in Europe, with France currently accounting for the bulk of tourists. Alongside the changes to visa requirements, there has also been substantial public investment in places of interest to tourists, and the old medinas of five cities including Marrakesh and Essaouira are receiving multi-million dollar facelifts due to be completed by 2022.

The private sector will also play an important role in developing Moroccan tourism, exemplified by the announcement in October that the government would sell its stake in the famous La Mamounia hotel in Marrakesh, part of a wider privatisation drive aimed at boosting state coffers. Major hotel brands are already interested in Morocco, with Marriott International announcing in October that it would launch its St Regis brand in the country in 2020.

Automotives

Automotives production in Morocco has been a significant growth industry in recent years, as major producers, French especially, have used the country as a lower-cost base from which to manufacture and export their cars. This investment has been clearly visible in the autos production index which has fairly consistently posted strong y/y growth over the past five years. In Q1-Q3 2018, the quarterly y/y growth averaged 8.9%, and we anticipate that the sector will continue to underpin Morocco's manufacturing sector over the coming years as firms invest in the country. Over the first three quarters of 2018, the industry component of GDP by production averaged real growth of 3.0% y/y.



Source: Haver Analytics, Emirates NBD Research

Renault has been at the forefront of investment in Morocco, and the firm has underlined its commitment to the country, with CEO Carlos Ghosn saying in October that its two factories in Casablanca and Tangier will reach a production capacity of 500,000 per annum, with the Casablanca plant's output scheduled to double to 160,000 a year by 2022. The PSA Group has also committed to Morocco, with plans to produce 200,000 units at its Kenitra plant by 2020, which is set to start commercial production in March. Both companies are increasingly using domestically produced parts also, in line with the government's aim to boost the local sourcing rate to 80% by 2020, from around 50% currently.

Many investors have been enticed by ongoing improvements to Morocco's business environment; it has climbed from 129th globally in 2008's Ease of Doing Business report to 69th in the 2018 edition. We expect that continued efforts to improve the business environment will ensure that autos manufacturing continues to underpin Morocco's economic expansion, and indeed act as a valuable source of foreign capital, from both investment and exports.

Tunisia

Growth

We forecast a modest acceleration in real GDP growth in Tunisia in 2019, to 2.7% from an estimated 2.5% in 2018. Growth will continue to be underpinned by the agriculture and tourism sectors, while private consumption will remain under pressure, despite the government's agreement in February to raise public sector worker wages. The negative impact of this fiscal slippage will in turn weigh on investor sentiment, especially given concerns over dinar stability, and potentially result in a renewed suspension of Tunisia's IMF support programme. A fractious political environment will also weigh on investor sentiment, although the pay deal with the UGTT union does make major strikes unlikely in the near term.

Tourism and agriculture will be growth drivers

Real GDP growth averaged 2.5% over the first three quarters of 2018, in line with our estimate for the year. The major growth driver was the agricultural sector, which comprises around 10.0% of the economy and enjoyed an average y/y real expansion rate of 9.7%. While base effects make such growth unlikely to be repeated in 2019 – and indeed, the food component of Tunisia's industrial production index already slowed in the second half of 2018 – we still expect robust growth, in part on the back of a pick-up in investment in the sector in 2018. According to the Foreign Investment Promotion Agency, FDI into agriculture was up some 200% in 2018, which will likely help boost production this year.

recovery this year on the back of relaxed travel warnings from countries such as the UK. Around 100,000 Britons visited Tunisia over the first three quarters of 2018, with scope for the previous peak of 440,000 annually to be reached within the next several years.

Consumers will remain under pressure

A rebound in agriculture and tourism is particularly beneficial for the wider Tunisian economy given that they are both fairly labour intensive industries. The World Travel & Tourism Council puts tourism's total (direct and indirect) contribution to employment at 13.0% of the total. Given unemployment has remained stubbornly at around 15.5% for several years (and for graduates and youth even higher, at 30.0% and 35.0% respectively) an ongoing recovery in the sector and potential boost to headcounts would be a positive for private consumption levels. Another boon for household spending has come from the government making an agreement in February to boost wages for public servants by USD 45-60 a month over a number of phases through 2019 and 2020.

CPI inflation, % y/y



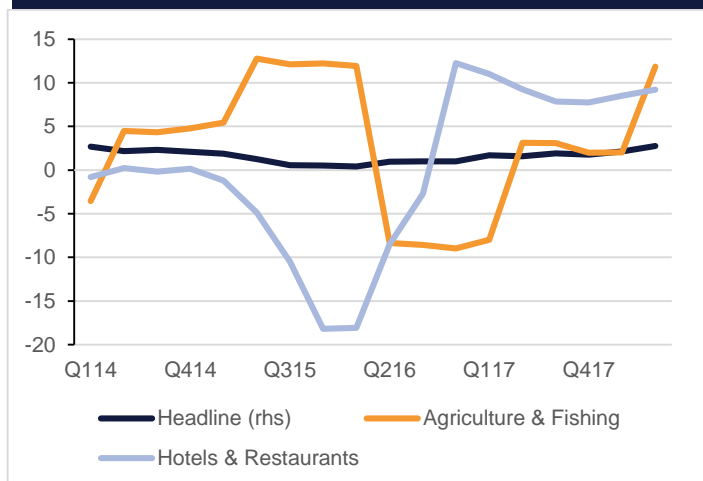
Source: Haver Analytics, Emirates NBD Research

However, while the above represents some upside, the outlook for the Tunisian consumer remains fairly gloomy. While inflation fell in January, at 7.1% it remains elevated and household spending power is being squeezed. Further, we see scope for further tightening by the central bank in 2019 in light of this, which would serve to constrain credit demand. Rates were hiked 100bps in February and we expect a further 150bps over the course of the year, taking it to 9.25% at year-end. In justifying its hike, the central bank talked of 'price-wage spiral' which the economy was undergoing.

Weakening investor sentiment

The boost to public spending could also jeopardize Tunisia's relationship with the IMF, which has at times been fractious since the North African country entered into an Extended Fund Facility arrangement in 2016. The Fund previously postponed the payment of the second tranche of the USD 2.9bn loan owing to a lack of progress on reforms to the public sector wage bill, which is among the highest in the world as a share of total spending. While lower oil prices this year will afford the government some breathing space,

Real GDP growth, % y/y



Source: Haver Analytics, Emirates NBD Research

The other sector we expect will continue to drive growth is tourism. Tunisia enjoyed a 16.9% y/y increase in arrivals over the nine months to end-September 2018, as the country continues to recover from the collapse in visitor numbers which followed a spate of terrorist attacks on tourists in 2015. This strong performance contributed to the sector's average real growth of 9.9% over the first nine months of 2018. The 6.3mn arrivals over the period exceeded that recorded over the whole of 2014, and we see scope for further

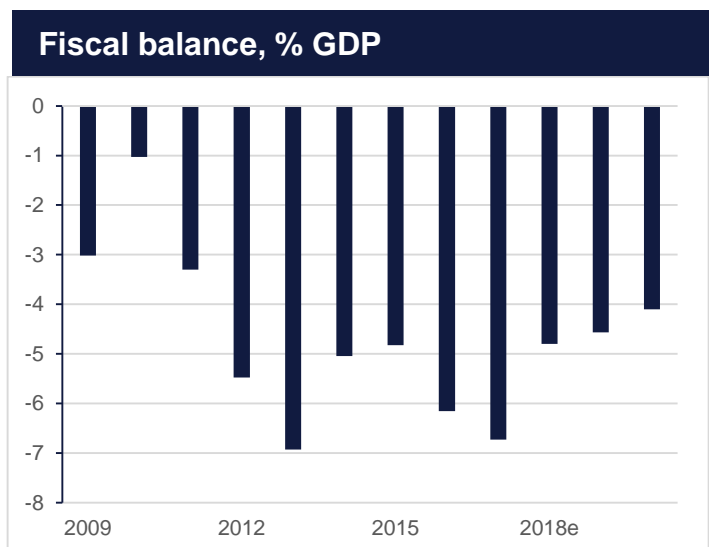
the end result of the wage boost is likely a failure to meet deficit reduction targets. In a worst-case scenario this could lead to another delay in IMF loan payments and a souring of investor perceptions of Tunisia.

Another factor which will likely weigh on investor sentiment towards Tunisia over 2019 is the current febrile political environment, both in parliament and on the streets, which looks likely to remain unresolved in the run-up to elections later in the year – Tunisia is set to hold parliamentary and presidential elections between October and December. In government, an apparent rift between PM Youssef Chahed and President Beji Caid Essebi resulted in a major cabinet reshuffle in November, which was initially blocked by the president. Chahed is among politicians behind the launch of a new political party, Tahya Tunis, announced in January, and such an environment will make effective policy making more difficult as varying factions jockey for position in the run-up to the vote.

On the streets meanwhile, Tunisia had to contend with numerous protests throughout 2018. These culminated in the self-immolation of a journalist in December, which in an echo of 2010 was the spark for renewed unrest nationwide. This political risk is one of the factors behind ratings agency Fitch confirming its negative rating for Tunisia in December. The deal struck in January with major union the UGTT could help avert major strikes in the near term, but it also runs the risk that other disaffected groups will look for concessions in a crucial election year.

Fiscal

In light of the wage deal struck with the UGTT in January, we have made a modest downward adjustment to our fiscal balance forecast for Tunisia, now projecting a shortfall equivalent to 4.6% of GDP, from a previous outlook of 4.3%. This compares to our estimate of 4.8% of GDP last year, and would represent a sharp slowdown in Tunisia’s IMF-backed fiscal consolidation programme – the deficit stood at 6.7% of GDP in 2017. The government’s projection in its 2019 budget – published in December, prior to the recent pay deal – was for a shortfall equivalent to 3.9% of GDP.



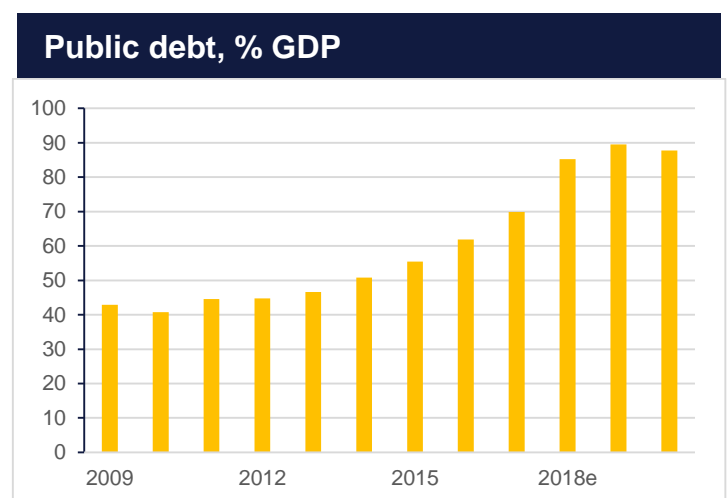
Source: Haver Analytics, Emirates NBD Research

In 2020 we anticipate that consolidation efforts will pick up once more, forecasting that the budget deficit will narrow to 4.1% of GDP, but in 2019 political pressures, in part related to the elections scheduled for the end of the year, will keep expenditure high. While we do not expect that the slippage will be sufficient for the IMF to pause its support for Tunisia again, it remains a salient risk should there be more significant spending concessions made by the government.

Public sector wages a drag on fiscal balance

Tunisia’s public sector wage bill is amongst the highest in the world, and has been a continual drag on governments’ efforts to cut expenditure. The issue has been a key bone of contention with the IMF in the past, and the government’s deal with the union puts its programme targets at risk. While some progress has been made, with the wage bill as a proportion of GDP falling from 16% in 2017, to an estimated 13.8% last year, the UGTT deal will likely see the 2019 target of 14% exceeded once more, and meeting the 2020 target of 12.4% unlikely. The deal may have brought ‘social peace’ as economic reform minister Taoufik Rajhi said in February, but should the IMF suspend the payment of its next loan tranche, as it has done in the past, it will come at a cost to fiscal stability. If the deal manages to bring an end to the widespread labour protests which have dogged Tunisia in recent months it could be deemed a price worth paying, but in an election year it runs the risk of prompting still more concession demands from other disaffected groups.

The government has been given some breathing room within which to make the boost to wages given that oil will likely average lower than the USD 75/b projected in the government’s budget. We hold a forecast of USD 65/b this year, which would result in a lower subsidy bill than under the government’s projections. The IMF continues to call for a transparent mechanism for subsidy reduction and increased energy prices. In 2018, we estimate that contributions and transfers stood at 17.1% of GDP, compared to 17.7% in 2017.



Source: Haver Analytics, Emirates NBD Research

Sticking with his pledge that 2018 would be the last difficult year for Tunisians, Prime Minister Youssef Chahed’s government implemented no new taxes in the 2019 budget, following several

years of higher charges across activities. As such, growth in government tax revenues will not likely repeat the 13.3% recorded in 2017 or the 13.6% we estimate last year, especially as economic growth remains relatively lacklustre. As such, fiscal consolidation targets will likely be missed this year.

Key Economic Forecasts: Algeria

National Income	2016	2017e	2018e	2019f	2020f
Nominal GDP (DZD bn)	17525	18363	19179	20169	21400
Nominal GDP (USD bn)	160.2	165.6	164.1	167.4	173.3
GDP per capita (USD)	3944	4007	3906	3922	3999
Real GDP Growth (% y/y)	3.3	1.6	1.8	2.2	2.0
Monetary Indicators (% y/y)					
CPI (average)	5.8	6.0	4.0	5.3	6.0
External Accounts (USD bn)					
Exports	32.7	37.5	46.9	51.6	56.7
Imports	60.2	59.9	61.7	64.8	68.1
Trade balance	-27.5	-22.4	-14.8	-13.2	-11.3
% GDP	-12.8	-13.5	-9.3	-8.0	-6.9
Current account balance	-26.2	-22.0	-14.3	-12.6	-10.7
% GDP	-12.3	-13.2	-8.9	-7.6	-6.5
Reserves	114.4	97.6	99.6	104.5	115.0
Fiscal Indicators (DZDbn)					
Revenue	5012	6182	7181	8076	8733
Expenditure	7297	7389	8497	9772	10358
Budget Balance	-2285	-1207	-1316	-1696	-1625
% GDP	-13.1	-6.6	-6.9	-8.4	-7.6

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Egypt

National Income*	2016	2017	2018	2019f	2020f
Nominal GDP (EGP bn)	2709.4	3442.0	4303.5	5125.7	6058.4
Nominal GDP (USD bn)	332.4	225.8	241.5	285.4	335.6
GDP per capita (USD)	3473	2314	2430	2821	3261
Real GDP Growth (% y/y)*	4.3	4.1	5.3	5.3	5.9
Monetary Indicators (% y/y)					
M2	18.6	39.3	19.7	17.3	17.9
CPI (average)	13.7	29.6	14.4	12.0	12.0
External Accounts (USD bn)*					
Exports	18.7	21.7	25.8	28.4	33.1
Imports	57.4	59.0	63.1	77.0	80.8
Trade Balance	-38.7	-37.3	-37.3	-48.6	-47.7
% of GDP	-11.6	-16.5	-15.4	-17.0	-14.2
Current Account Balance	-6.4	-2.8	-6.0	-7.0	-7.0
% of GDP	-6.0	-6.4	-2.5	-2.3	-2.0
Reserves	17.6	31.3	44.3	42.0	42.0
Public Finances*					
Revenue (EGP bn)	491488	659184	805741	946141	1048627
Expenditure (EGP bn)	804704	1025109	1219826	1440317	1546008
Balance	-326355	-372758	-423391	-494176	-497382
% of GDP	-12.05	-10.83	-9.84	-9.64	-8.21
Central Government Domestic Debt (EGP mn)	2285644	2685898	3120304	4000000	4500000
% of GDP	84.4	78.0	72.5	78.0	74.3
Total Debt, % GDP	104	105.9	102.3	93.8	93.4

Source: Haver Analytics, Emirates NBD Research. *Fiscal

Key Economic Forecasts: Libya

National Income	2016	2017	2018e	2019f	2020f
Nominal GDP (LYD tn)	60	88	105	121	133
Nominal GDP (USD bn)	43.6	63.3	76.1	88.2	96.7
GDP per capita (USD)	6909	10025	10403	10604	10376
Real GDP Growth (% y/y)	-6.9	34.8	7.6	5.4	10.4
Monetary Indicators (% y/y)					
CPI (average)	9.5	25.0	11.5	10.0	8.5
External Accounts (USD bn)					
Exports	39.4	43.4	52.0	58.3	65.8
Imports	36.8	42.3	46.5	53.5	61.5
Trade balance	2.7	1.1	5.5	4.8	4.3
% GDP	6.1	1.7	7.3	5.4	4.5
Current account balance	-4.4	-6.0	-1.6	-2.3	-2.8
% GDP	-10.2	-9.5	-2.1	-2.6	-2.9
Reserves	65.9	74.1	80.0	76.0	76.7
Fiscal Indicators (LYDmn)					
Revenue	46333.4	53345.3	61455.8	67986	75293.2
Expenditure	57137.2	62727.2	68888.8	75678.5	83158.8
Budget Balance	-10804	-9381.9	-7433	-7692.5	-7865.7
% GDP	-18.1	-10.6	-7.1	-6.3	-5.9

Source: Haver Analytics, Emirates NBD Research

Key Economic Forecasts: Morocco

National Income	2016	2017	2018e	2019f	2020f
Nominal GDP (MAD bn)	1013.6	1063.3	1115.7	1168.3	1230.3
Nominal GDP (USD bn)	103.3	109.6	118.8	121.0	127.5
GDP per capita (USD)	2929	3066	3283	3304	3439
Real GDP Growth (% y/y)	1.1	4.1	3.0	2.7	3.0
Monetary Indicators (% y/y)					
M2	7.0	6.0	6.0	6.0	6.0
CPI (average)	1.6	0.8	1.9	2.0	2.1
External Accounts (USD bn)					
Exports	18.9	21.5	25.8	27.8	29.5
Imports	36.6	39.6	46.3	51.9	54.5
Trade Balance	-17.7	-18.1	-20.6	-24.0	-25.0
<i>% of GDP</i>	-1.7	-1.7	-1.8	-2.1	-2.0
Current Account Balance	-4.4	-4.0	-4.2	-4.2	-3.9
<i>% of GDP</i>	-4.2	-3.6	-3.5	-3.4	-3.1
Reserves	25.4	25.8	24.5	26.0	28.0
Public Finances					
Revenue (MAD mn)	214149	222724	257586	270975	285060
Expenditure (MAD mn)	203621	206898	212133	220398	227068
Balance*	-42316	-37630	-40888	-39883	-36991
<i>% of GDP</i>	-4.2	-3.5	-3.7	-3.4	-3.0
Central Government Debt (MAD mn)	657	692	727	763	801
<i>% of GDP</i>	0.6	0.6	73.6	77.2	81.1

Source: Haver Analytics, Emirates NBD Research

Note: * includes balance of treasury accounts and minus investments

Key Economic Forecasts: Tunisia

National Income	2016	2017	2018e	2019f	2020f
Nominal GDP (TND bn)	89.6	89.0	91.1	93.5	96.3
Nominal GDP (USD bn)	41.7	36.8	34.5	30.6	30.6
GDP per capita (USD)	3911	3791	3343	3136	2785
Real GDP Growth (% y/y)	1.0	1.7	2.5	2.7	3.0
Monetary Indicators (% y/y)					
M2	8.2	10.6	10.0	8.0	8.0
CPI (average)	3.7	5.3	7.4	6.8	5.5
External Accounts (USD bn)					
Exports	13.6	14.2	15.5	15.0	15.1
Imports	18.4	19.5	21.1	19.7	19.5
Trade Balance	-4.8	-5.3	-5.6	-4.7	-4.4
% of GDP	-11.5	-14.4	-16.3	-15.4	-14.3
Current Account Balance	-3.7	-4.1	-3.8	-2.9	-2.7
% of GDP	-8.9	-11.1	-11.1	-9.4	-8.9
Reserves	6.0	5.6	5.0	5.0	5.0
Public Finances					
Revenue (TND mn)	21245	23891	28431	33122	36434
Expenditure (TND bn)	26099	29546	32796	37388	40379
Balance*	-4854	-5655	-4366	-4266	-3945
% of GDP	-6.2	-6.7	-4.8	-4.6	-4.1
Central Government Debt (TND mn)	55919	68074	77604	81484	79855
% of GDP	61.9	70.3	85.2	89.5	87.7

Source: Haver Analytics, Emirates NBD Research

Note: * does not include privatizations fees and grants

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Emirates NBD Research & Treasury Contact List

Emirates NBD Head Office
12th Floor
Baniyas Road, Deira
P.O.Box 777
Dubai

Jonathan Morris
General Manager Wholesale Banking
JonathanM@emiratesnbd.com

Aazar Ali Khwaja
Senior Executive Vice President
Global Markets & Treasury
+971 4 609 3000
aazark@emiratesnbd.com

Tim Fox
Head of Research &
Chief Economist
+9714 230 7800
timothyf@emiratesnbd.com

Research

Khatija Haque
Head of MENA Research
+9714 230 7803
khatijah@emiratesnbd.com

Anita Yadav
Head of Fixed Income Research
+9714 230 7630
anitay@emiratesnbd.com

Aditya Pugalia
Director - Financial Markets Research
+9714 230 7802
adityap@emiratesnbd.com

Daniel Richards
MENA Economist
+9714 609 3032
danielricha@emiratesnbd.com

Edward Bell
Commodity Analyst
+9714 230 7701
edwardpb@emiratesnbd.com

Mohammed Altajir
FX Analytics and Product Development
+9714 609 3005
mohammedtaj@emiratesnbd.com

Hessa Al Khawaja
Research Associate
+9714 609 3015
hessaalkh@emiratesnbd.com

Sales & Structuring

Group Head – Treasury Sales
Tariq Chaudhary
+971 4 230 7777
tariqmc@emiratesnbd.com

Saudi Arabia Sales
Numair Attiyah
+966 11 282 5656
numaira@emiratesnbd.com

Singapore Sales
Supriyakumar Sakhalkar
+65 65785 627
supriyakumars@emiratesnbd.com

London Sales
+44 (0) 20 7838 2241

Egypt
Gary Boon
+20 22 726 5040
garyboon@emiratesnbd.com

Emirates NBD Capital

Hitesh Asarpota
Head of Debt Capital Markets.
+971 50 4529515
asarpotah@EmiratesNBD.com

Investor Relations

Patrick Clerkin
+9714 230 7805
patricke@emiratesnbd.com

Group Corporate Affairs

Ibrahim Sowaidan
+9714 609 4113
ibrahims@emiratesnbd.com

Claire Andrea
+9714 609 4143
clairea@emiratesnbd.com