

New Atradius trading report on Middle East and North Africa

Market analysts at trade credit insurer [Atradius](#) have published a new report with trading insights into the Middle East and North Africa.

The MENA country report is designed to brief businesses trading, or seeking to trade, within the region, providing up to date information to inform decision making, to mitigate risk and enable new opportunities. The countries Algeria, Egypt, Morocco, Saudi Arabia, Tunisia and the United Arab Emirates feature in the report which assesses the political and economic situation as well as a performance forecast for 15 major industries within each market.

Report highlights:

Algeria: Political unrest lies ahead of presidential elections. The rebound in oil prices is only expected to bring a modest recovery in GDP growth to 1.7% in 2019 and 1.9% in 2020. Ongoing political uncertainty weighs on the economic performance. The paper industry has been given a ‘poor’ outlook while the energy sector is ‘good’.

Egypt: GDP growth is expected to exceed 5% this year and next, supported by the exchange rate liberalisation which has improved external competitiveness, interest rate normalisation, increasing tourist arrivals and growing gas production. Both exports and the tourism sector are benefitting from currency depreciation. However, tourism remains vulnerable to terrorist attacks, while manufacturers depending on imports of goods are facing higher production costs. The steel industry has a ‘poor’ performance outlook.

Morocco: Real GDP growth is forecast at 2.4% in 2019, a slowdown on last year mainly due to weaker demand from Europe. However, growth is expected to return in 2020 with a forecast of 3.5%; dependent on performance in agriculture, tourism and exports. This, together with an accommodating monetary policy and higher public spending is expected to support private consumption growth. From a sector perspective, agriculture, automotive and energy have a ‘good’ performance outlook while electronics, metals, textiles and construction are rated as ‘poor’.

Saudi Arabia: After a recession in 2017, the Saudi economy has rebounded modestly albeit with a notable increase in non-payment notifications. The economy is oil reliant but large infrastructure investments as part of a diversification programme should support future economic activity. Looking forward, the agriculture, energy and financial services sectors have a ‘good’ performance outlook. However, sectors with a ‘poor’ outlook are the chemicals, construction, consumer durables, electronics, metals and steel sectors.

Tunisia: GDP growth is expected to remain moderate. Despite an increased inflow in tourism, subdued industrial expansion and investments, alongside higher oil prices and a decrease in demand from main trading partners in Europe are weighing on economic expansion. Despite efforts to combat inflation, high consumer prices still negatively affect domestic disposable income. However, agriculture, automotive, energy and food all have a ‘good’ performance outlook while paper has a ‘poor’ outlook.

United Arab Emirates: The modest economic rebound is expected to continue with 2.2% GDP growth forecast for 2019 and 2020 on the back of oil revenues. Increased infrastructure spending in the run-up to the World Expo 2020 event should support growth. That said, the business performance and credit risk situation of several industries remains strained. Agriculture, financial services and services sectors have a ‘good’ performance outlook while chemicals, construction, consumer durables, electronics, food, metals, paper, steel and textiles all have a ‘poor’ outlook.

Darren Power, Northern Regional Manager for Atradius said: “In a global economy where uncertainty seems to have become the norm, knowledge is critical. Trading briefs and insights into the performance and intricacies of overseas markets are essential to mitigate businesses against risks and enable them to seize vital opportunities for growth.”

For the full report and access to a full suite of free economic research and trading reports, visit www.atradius.co.uk or follow [@AtradiusUK](#) on Twitter and [AtradiusUK](#) on LinkedIn

- ends -

About Atradius: Atradius is a global provider of credit insurance, bond and surety, collections and information services, with a strategic presence in over 50 countries. The products offered by Atradius protect companies around the world against the default risks associated with selling goods and services on credit. Atradius is a member of Grupo Catalana Occidente (GCO.MC), one of the largest insurers in Spain and one of the largest credit insurers in the world. You can find more information online at <https://www.atradius.co.uk>