High-level Regional Dialogue on WTO Accessions for the Arab Region


November 2020
Global Impact of Covid-19 in 2020

(WHO) declared COVID-19 a Global Pandemic on 11 March 2020

Loss to global economy $1-2 trillion (UNCTAD)

Loss to global job market 25 million jobs (ILO)

Loss to GDP Advanced economies 7% ↓ … Emerging Economies 2.5% ↓ (IMF)

Most IsDB MCs belong to the South more severe Covid-19 impact

Gulf countries are high & middle-income, YET the impact was more severe
## Impact of Covid-19 on Gulf Region (RH-UAE MCs)

In April 2020, the OPEC+ group broke down and Oil prices collapsed.

### 5 MCs Medium/High-income, yet GDP drop in 2020 due to “The Twin Shocks”

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Drop 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuwait</td>
<td>7.9% ↓</td>
</tr>
<tr>
<td>Oman</td>
<td>9% ↓</td>
</tr>
<tr>
<td>Qatar</td>
<td>2% ↓</td>
</tr>
<tr>
<td>UAE</td>
<td>6.3% ↓</td>
</tr>
<tr>
<td>Bahrain</td>
<td>5% ↓</td>
</tr>
<tr>
<td>Yemen</td>
<td>3% ↓</td>
</tr>
</tbody>
</table>

As Oil prices stabilize (42 $/bbl), WB forecasts for 2022 Real GDP growth:

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<tr>
<th>Country</th>
<th>GDP Growth 2022</th>
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<tbody>
<tr>
<td>Kuwait</td>
<td>2.9% ↑</td>
</tr>
<tr>
<td>Oman</td>
<td>4% ↑</td>
</tr>
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Growth is subject to Oil prices... Need to diversify away from Hydrocarbon
IsDB Response to Covid-19 Crisis

Country Needs Assessment Framework

– To determine current and future needs of MCs
– Based on health impact, economic vulnerability and ability of MCs to respond
– Model based on publicly available data

Global Coordination Platform (GCP)

– To facilitate the provision projects’ implementation services
– A blockchain-based online marketplace
– Efficiency, transparency and better governance of COVID-19 response

Strategic Preparedness & Response Program (SPRP)

– Launched in April 2020, with $2.3 billion Funding package
– Holistic approach for MCs recovery in the short, medium and long term
– Respond-Restore-Restart Tracks” OR “3-R approach”
IsDB’s Strategic Preparedness & Response Program (SPRP) - [$2.3 billion]

• COVID-19 massive and overarching impact beyond immediate health effects and its mounting economic and social ramifications, require a holistic response program for IsDB MCs recovery journey:

**R1: Respond**
Immediate actions to assist MCs response to the health emergency to sustain and save lives

**R2: Restore**
Lines of finance for trade and MSMEs to help private sector survive the pandemic’s peak effects on the economy

**R3: Restart**
Build resilience and preparedness to support revival of industries and catalyze private investment

• Under SPRP so far: 37 projects approved with Total Approved $823 million and Total disbursement of $255 million
Examples of IsDB Response in the Gulf Region

**Emergency Response Efforts**

- $100 m assistance to Yemen (2020-2023), including $36.6 m immediate financing facility
- Approve/Prepare projects in Agriculture, Education & Fisheries sector in Yemen, under SPRP
- Exemption of Yemen from the payment of its overdues installment until 31/3/2021

**Beyond Emergency Response**

- Projects to support Education, Economic Empowerment, MSME for Econ Diversification
- Partnerships with WB, to support its technical assistance programs to GCC countries
- Cooperation with Arab Coordination Group (ACG) on $10 billion pledge to combat COVID-19
- Launch “the Arab States South-South and Triangular Cooperation (SSTrC) Initiative”
- 3 digital initiatives (Digital Country Presentation, Made in Series, Start-up Virtual Pitch Competition)
Thank you