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Transforming our Region:  
Future Insights - Economy and OpenAI

Welcome

# Stephen Anderson

Strategy Leader

PwC Middle East

01



# Welcome

## Economic Updates

## OpenAI

**Stephen Anderson**

Strategy Leader  
PwC Middle East

**Dr. Alexis Crow**

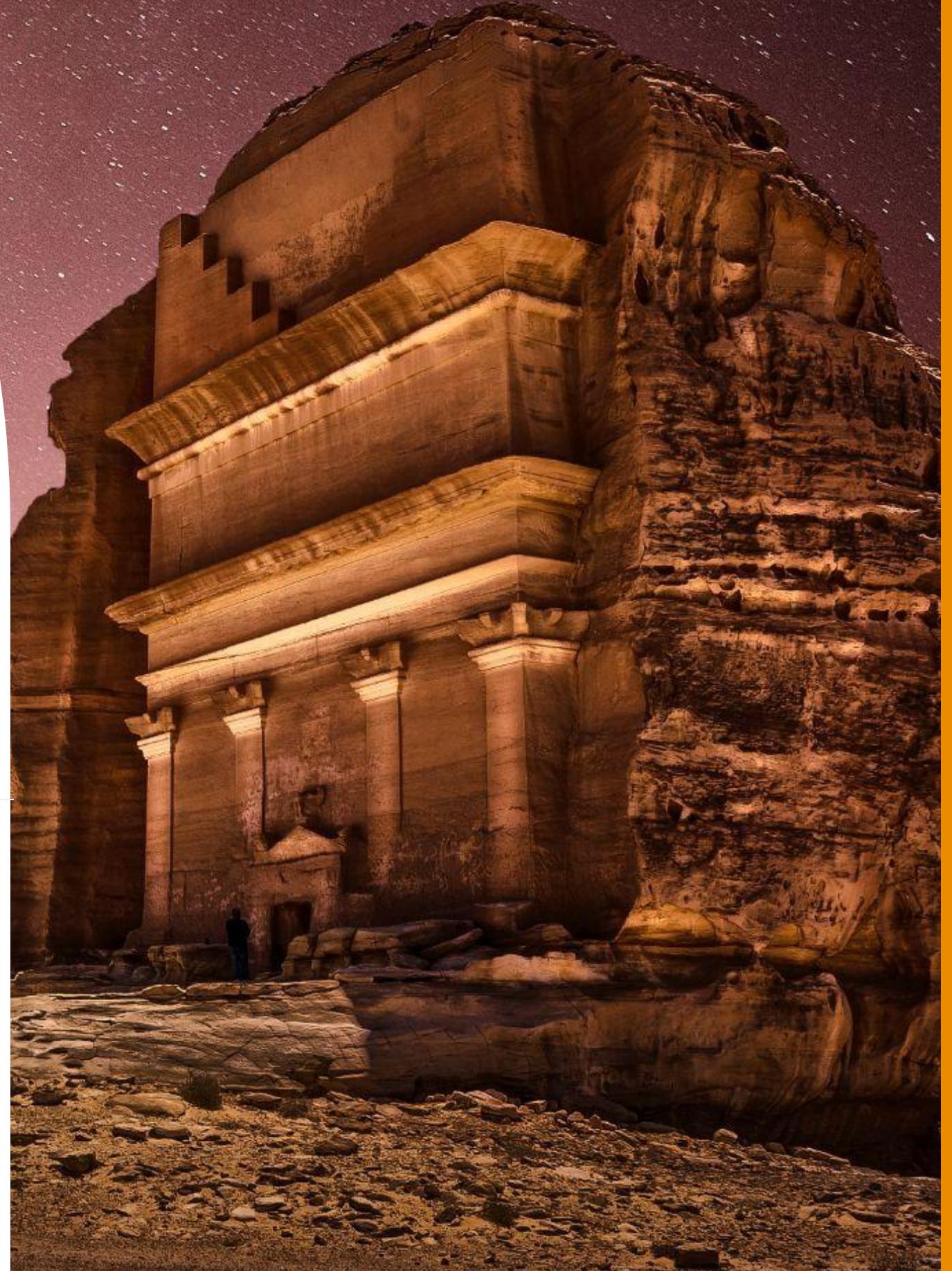
Chief Economist  
PwC US

**Richard Boxshall**

Chief Economist  
PwC Middle East

**Richard Hasslacher**

Global Head of Alliances  
and Partnerships  
OpenAI



# Economic Updates

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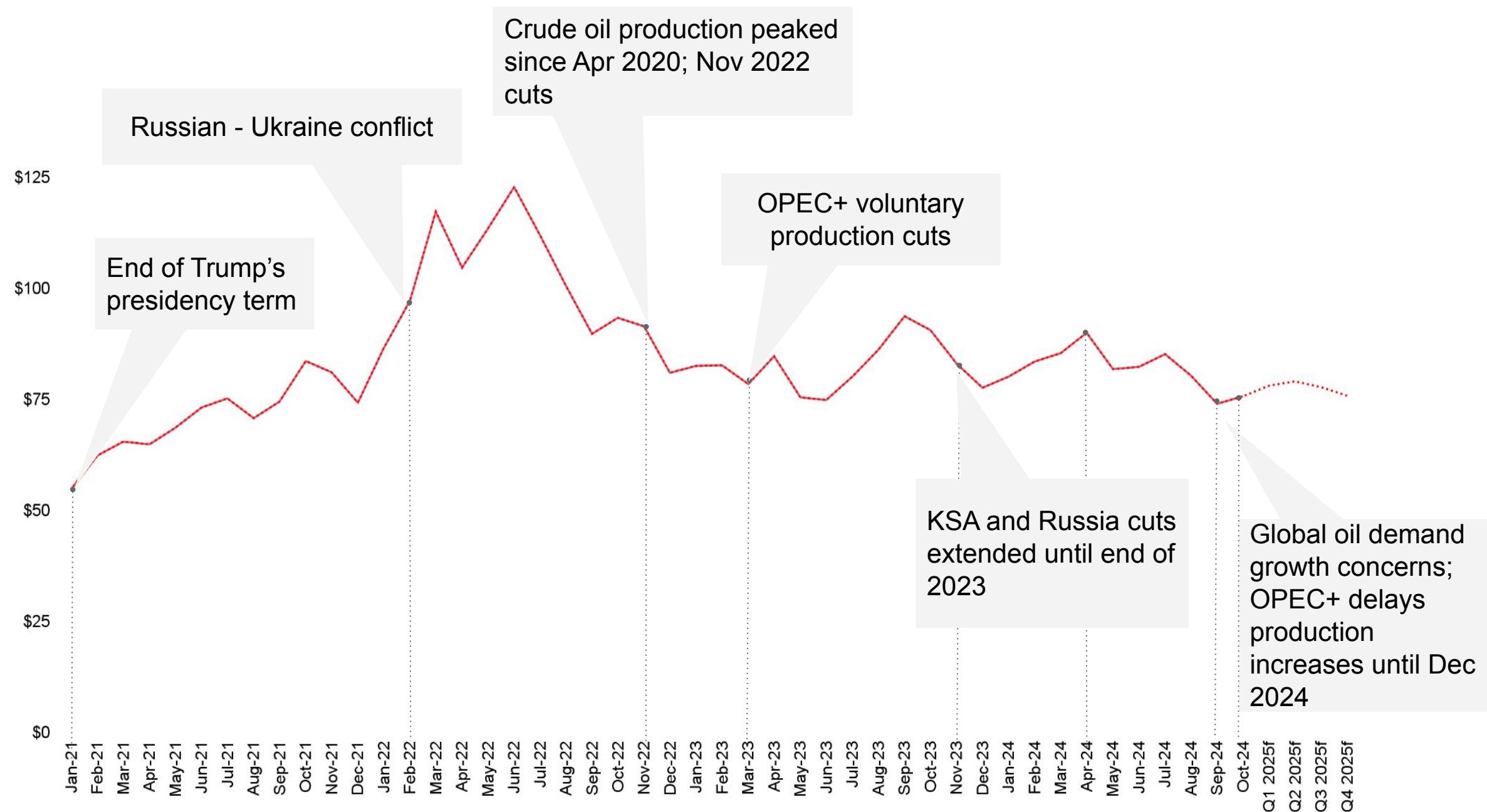
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# Economic Updates

## Trump's energy policy and impact on the oil market has key impact on MENA economies

### Brent crude prices US\$ per barrel



### Outlook remains cautiously balanced

#### Upside look for the GCC:

- A second Trump term could strengthen US-GCC energy ties and boost US investments in O&G
- Expanded US LNG export projects offers more clarity on future competition and potential Gulf investments in US energy infrastructure
- Reduced US regulatory barriers could encourage Gulf investments US O&G facilities

#### Downside look for the GCC:

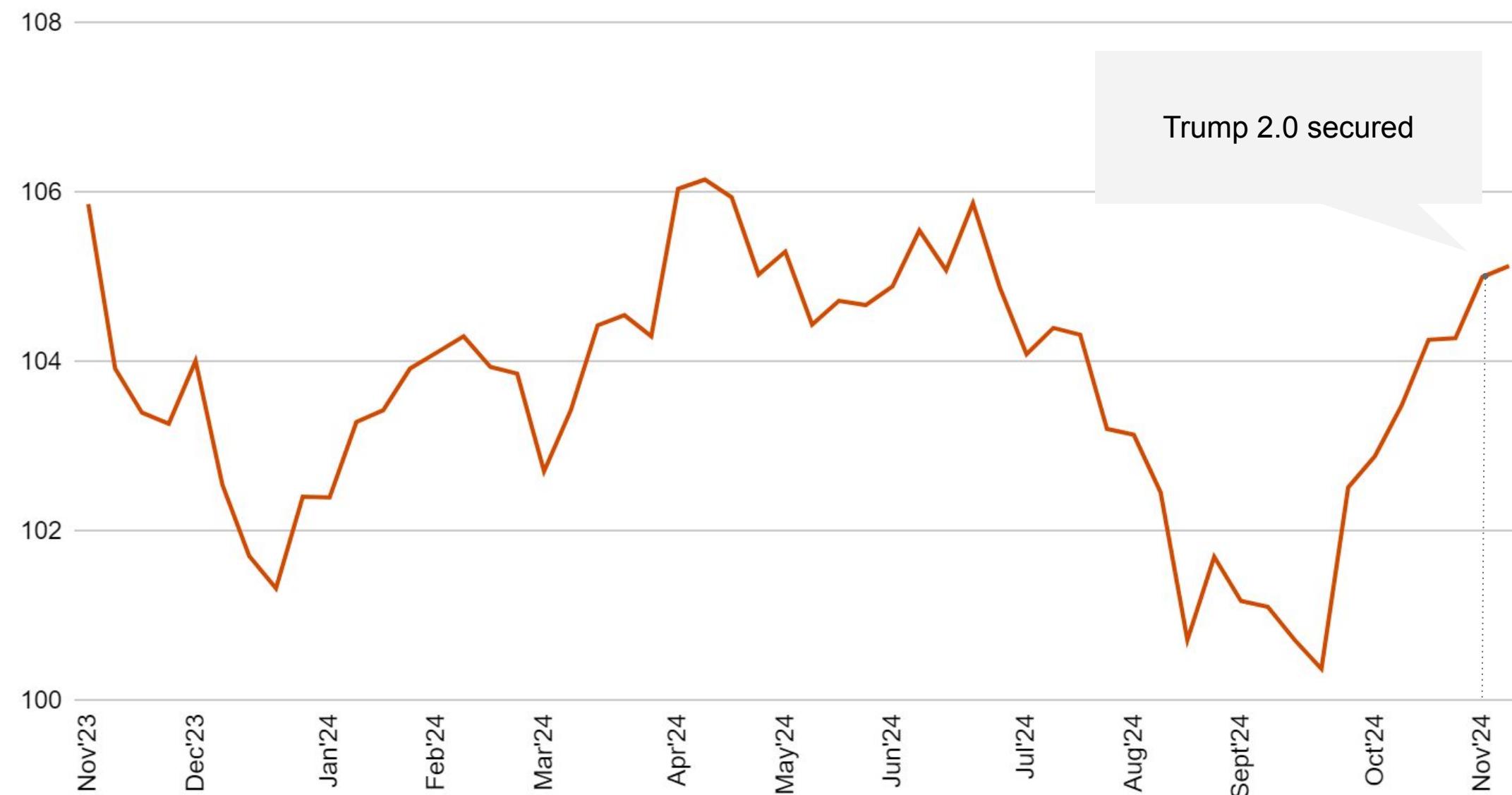
- Lower global prices due to increased US fossil fuel output
- More competition from US LNG exports
- Pressure on OPEC+ cohesion and Gulf economies from high US oil output

# Economic Updates

Markets have reacted positively but less favourable borrowing conditions loom

## US Dollar Index (DXY)

DXY:Exchange



- Since Trump's victory, the USD has surged on expectations of inflationary policies
- Policies such as tariffs, tax cuts, and stricter immigration and deportation could limit Fed rate cuts
- A slow down in Fed rates cuts and higher bond yields make for less favourable borrowing conditions in the region



### Stronger USD

Pressures on currencies in Algeria, Morocco, Tunisia and Egypt, slowing inflation decline and monetary easing in Egypt, impacting its economic growth



### Less favourable borrowing conditions

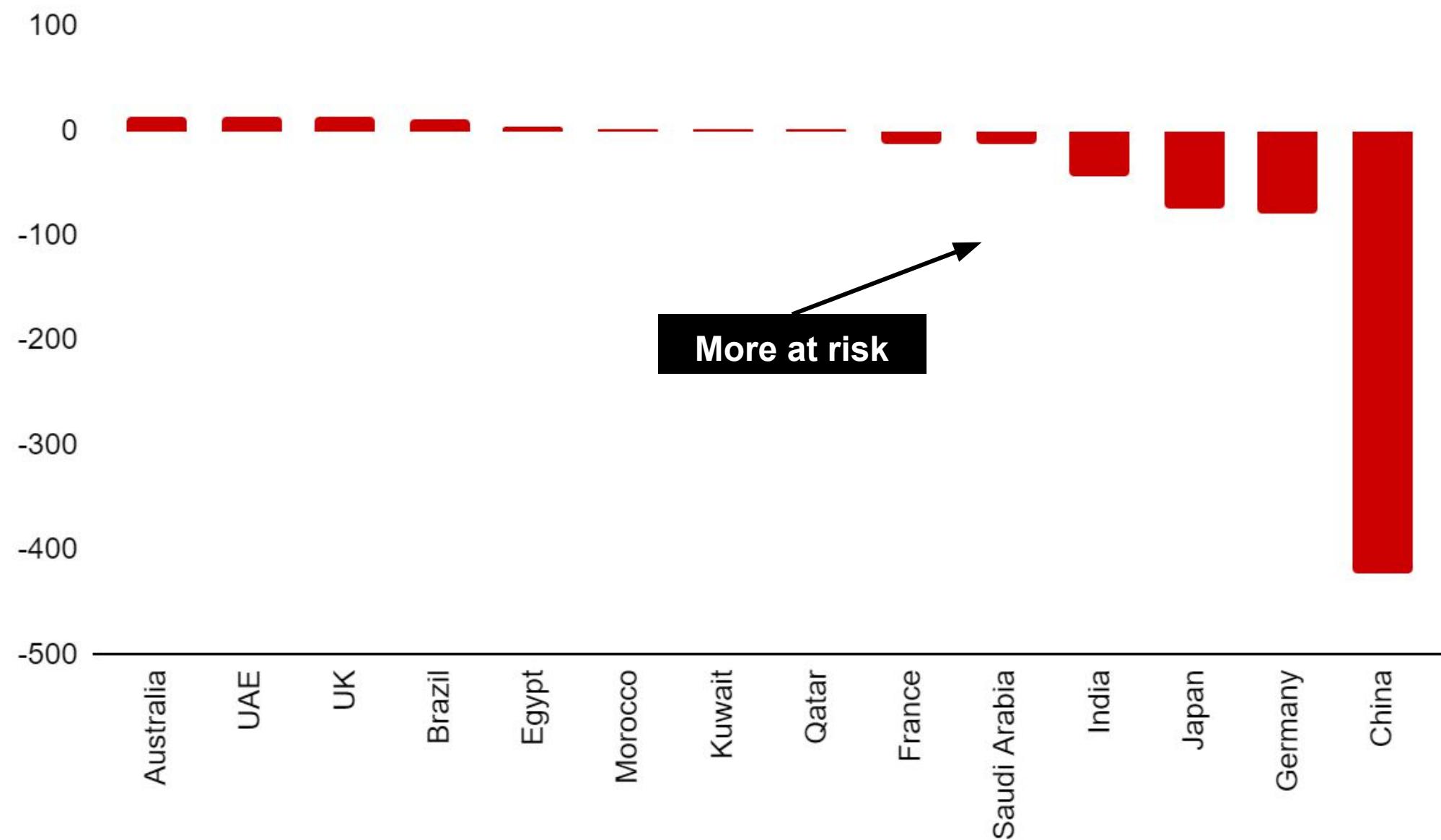
Challenge GCC policymakers and create headwinds for the GCC non-oil economy and Jordan's economy in general, and could drive outflows from Egypt's portfolio investments

## Economic Updates

Economies with large trade surpluses with the US are at greater risk

### USA - Trade Balance

USDbn, 2022



**Economies with large trade exposure more vulnerable to broad tariffs**

- Trump's proposal to impose a 60% tariff on Chinese goods and a "universal" 10-20% tariff on all other U.S. imports could bring trade challenges in MENA.
- MENA economies with strong U.S. export links face increased risks, as sweeping tariffs could dampen demand for their goods and impact growth.
- Reduced competition from foreign goods could lead MENA exporters to seek alternative markets in response to decreased U.S. competitiveness.

OpenAI

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# Q&A



Thank you