Challenges cloud

Continued from Page 1

its policy lending rate unchanged (except in March), raising only the repo rate (a benchmark for deposits). While the CBK skipped the first two U.S. Federal Reserve interest rate cuts in 2019, it followed suit after the October cut. As a result, bank lending rates have remained broadly unchanged since 2018.

The banking system remains sound. The systemwide capital adequacy ratio (CAR) reached 17.6 percent in September 2019, and banks have plentiful short-term liquidity. Nonperforming loans net of specific provisions stood at 1.2 percent, while loan-loss provisioning is high at 229 percent. Net interest income has declined due to a narrowing spread between bank lending rates and the cost of funds.

7. Equity markets outperformed. Equity markets have staged a recovery since mid-2016, in part benefitting from portfolio inflows thanks to the inclusion of Kuwaiti equities in the FTSE Russel and MSCI EM (expected in 2020) indices. MSCI Kuwait surged 29 percent in 2019, compared to 15 percent for MSCI GCC and MSCI EM, with market capitalization reaching an all-time high of US$35 billion in December 2019.

Macroeconomic Outlook and Risks

Subdued oil prices and output are weighing on near-term prospects

Growth is expected to strengthen, but lower oil prices and uncertain output cloud the outlook. The mission's projections are built on oil prices declining from US$62 per barrel in 2019 to about US$56 per barrel in 2023 and remaining broadly unchanged thereafter. The mission has assumed a small increase in oil output in 2020 consistent with the extension of the OPEC+ agreement through the year. Supported by government spending, employment, and credit growth, nonoil GDP could expand by 3 percent in 2020 and accelerate to 3½ percent over the medium term. With oil exports broadly flat and imports rising, the current account surplus would dissipate over the projection horizon. Inflation is expected to increase to 1.8 percent in 2020 as housing rents start to recover.

Credit is expected to accelerate, and further capital inflows are likely. As growth strengthens and capital projects come on stream, credit growth could pick up, supported by ample bank liquidity. The MSCI inclusion in May is expected to bring in about US$3.5 billion inflows (2.3 percent of GDP), of which US$2.6 billion would be passive inflows.

Risks to the outlook are to the downside, mainly from delays in reforms and a sustained drop in oil prices. Delays in fiscal reforms would further amplify fiscal financing needs while slow progress on the structural front would dampen growth. Weaker-than-expected global growth, including due to escalating trade tensions, could drive oil prices lower. If so, the OPEC+ agreement may linger longer than expected, and the oil output recovery projected after 2020 may not materialize. A sustained drop in oil prices would generate unfavorable macro-financial dynamics, with weakening fiscal and current account balances and widening financing needs. Heightened security tensions and a challenging geopolitical environment in the region could weigh on confidence, investment, and growth.

Fiscal and financing challenges would intensify without a course correction

Fiscal measures envisaged by the government in the near-term are modest. Given the challenging context, the government is focusing on measures that are under its control and do not require legislative changes. It has identified a menu of streamlining options, which include: (i) closing loopholes in various social transfer programs, (ii) reprioritizing capital expenditure, and (iii) reducing waste, including by improving procurement. It also plans to raise nonoil revenue by: (i) introducing the long-planned excise on tobacco and sugary drinks, (ii) repricing government services, and (iii) strengthening revenue collection, especially utility payments.

Against this backdrop, the government's financing needs are projected to grow rapidly. The consolidated fiscal balance would turn from a surplus of 5½ percent of GDP in 2019 to a deficit of a similar magnitude by 2025. After compulsory transfers to the FGF and excluding investment income, this would give rise to average annual financing needs of 20 percent of GDP or, cumulatively, some KD55 billion (US$180 billion) over the next 6 years.

Covering such large financing needs will present a challenge. Under the current arrangement with respect to the FGF and without recourse to other financing sources, GRF's readily available assets would be exhausted in less than two years. Total KIA assets however would continue to increase. The government is hopeful that parliament will approve the new debt law this fiscal year, which is reflected in mission's projections. This should pave the way for the government to resume domestic borrowing almost immediately and tap international markets next year. Borrowing would help reduce drawdowns from the GRF allowing it to last longer. Assuming no legal restriction on borrowing, to finance the remaining gap, government debt would have to rise to over 70 percent of GDP in 2025 from 15 percent in 2019. While Kuwait's very strong credit rating can underpin external borrowing and ample bank liquidity can be tapped through domestic issuance, the borrowing envelope over the medium term would be unprecedented.

Policy Discussions

A. Ensuring Long-Term Fiscal Sustainability

The mission underscores the urgency of adjustment to put the fiscal position on a sounder path. The looming depletion of liquid GRF assets is a symptom of the fiscal position being too weak to meet savings obligations with respect to the FGF. The mission estimates that larger transfers than currently set aside in the FGF would be needed to ensure equally high living standards for future generations. Even under an estimation approach that allows the current generation to run a somewhat higher deficit (i.e., consume a higher share of oil wealth), the nonoil balance in FY2025/26 would fall about 16 percentage points of nonoil GDP short of the level needed to ensure adequate savings for future generations. The mission therefore calls for a well-paced fiscal adjustment over the medium term to close this intergenerational savings' gap and reduce financing needs.

The mission proposes an adjustment path that would close the intergenerational savings' gap in 10 years. Under such scenario, total spending would decline to about 75 percent of non-oil GDP (from 100 percent now) – a level broadly consistent with that experienced during 2000-10. The proposed adjustment would weigh on growth, but the effect would dissipate over time as higher investment and structural reforms to unlock the private sector's potential bear dividends.

■ Curtailing the public wage bill over time. To achieve this, the availability and attractiveness of public sector jobs should be reduced by more closely aligning public sector wages with those in the private sector and containing future wage growth. Harmonizing the public wage grid structure, fostering merit-based compensation, and reducing the very high public-private wage premia would generate sizeable savings. It would also incentivize nationals to seek opportunities and create jobs in the private sector, thereby boosting competitiveness and productivity.

■ Phasing out generalized subsidies and reforming transfers. At almost 7½ percent of GDP, fuel, electricity, and water subsidies and transfers are large. In addition to being costly to the budget, subsidies encourage excessive consumption and investment and disproportionately benefit the rich. Utility prices should be raised to cost recovery levels and various transfers rationalized through consolidation and strict eligibility enforcement. Doing so would result in savings and more efficient use of resources. Targeted cash transfers should be introduced in parallel to offset the adverse impact of reforms on lower-income households.

■ Increasing growth-enhancing public investment and improving its efficiency will be essential for closing infrastructure gaps with GCC peers and raising the long-term growth potential. This would also help counteract the drag on growth from fiscal consolidation. Higher capital spending should be accompanied by reforms focused on improving project selection, planning, and implementation.

■ Introducing a 5-percent value added tax (VAT) would broaden the tax base, yield stable revenue, help upgrade tax administration capacity, and contribute to a deeper understanding of the input-output structure of the economy. This would also bring Kuwait in line with Bahrain, Saudi Arabia, and the United Arab Emirates which have recently implemented the tax as part of the GCC-wide agreement.

■ Broadening the coverage of the profit tax and introducing excises on luxury goods. In addition to generating revenue, extending the business profit tax coverage to domestic companies would level the playing field and encourage FDI. Excises on luxury goods or, alternatively, a personal income tax on high earners would contribute to a more socially-balanced adjustment mix, helping increase its acceptance among the middle class.

The government needs to build consensus for fiscal adjustment. To gain broad support, the proposed fiscal measures should be part of a comprehensive reform package that fosters private sector growth and jobs, reduces waste and improves the quality of public services, and strengthens government accountability and transparency. Experience in other countries shows the need for pro-active and transparent communication to explain the rationale for adjustment, proposed measures, their expected costs and benefits, including distributional impact.

B. Putting Robust Policy Frameworks in Place

Fiscal framework

The mission recommends adopting a rules-based fiscal framework. The volatile and exhaustible nature of oil revenues poses a challenge to fiscal policy due to the inherent tension between long-term savings and near-term economic stabilization objectives. The current arrangement whereby 10 percent of revenue is transferred to the FGF, with remaining surpluses going to the GRF, allowed Kuwait to accumulate substantial savings. However, the arrangement does not ensure adequate savings for future generations. It imposes no constraint on "above the line" fiscal policy, with available financing acting as the only check.

The mission discussed a menu of fiscal rule options with the authorities. A well-calibrated rule would ensure that future generations enjoy a broadly similar standard of living as the current one. It would also help insulate the economy from oil price fluctuations by preventing spending run-ups during episodes of high oil prices and protect government spending decisions from political pressures.The mission emphasizes that for any rule to be effective, it should be enshrined in a sound institutional framework that includes political commitment, sound public financial management, comprehensive budget reporting, and transparent accounting practices .

The current arrangement with respect to the FGF should be maintained until a properly calibrated fiscal rule is firmly in place. Even as the new rule is implemented, the stock of FGF assets should not be tapped. This is crucial for preserving the nation's oil wealth for future generations. While the FGF was tapped for the reconstruction after the Iraq war, doing so in normal times would set an unfortunate precedent and postpone fiscal consolidation.

The mission encourages the authorities to continue strengthening fiscal governance. Addressing remaining governance weaknesses can help improve the efficiency of spending and reduce vulnerabilities to corruption. The authorities are strengthening independence and building capacity of the Anti-Corruption Agency, which administers the asset declaration regime where compliance reached 91 percent in 2019. The mission calls for renewed efforts to accelerate the implementation of the procurement law adopted in 2017, including launching e-procurement. To that end, the government plans to review procurement practices with the help of the World Bank. It is also considering conducting a public expenditure review in the health sector. Undertaking a public investment management assessment (PIMA) and a Fiscal Transparency Evaluation would provide a comprehensive roadmap for strengthening governance of public investment and fiscal transparency. The mission encourages the authorities to further improve transparency of oil wealth management, by disclosing information on the value chain from the point of extraction to how revenues make their way through the government and KIA's financials.

There is a need to improve the management of fiscal risks stemming from state-owned enterprises (SOEs) and public-private partnership (PPPs). As a first step toward enhanced oversight of SOEs, the Ministry of Finance (MoF) should systematically analyze fiscal risks stemming from their activities, including borrowing. The MoF should also gather comprehensive information on PPPs and quantify related contingent liabilities.

Monetary and financial sector frameworks

The mission considers the pegged exchange rate regime to be appropriate. The peg to an undisclosed basket has provided an effective nominal anchor and limited exchange rate flexibility during a period of dollar strength. The pegged exchange rate puts a greater onus on fiscal policy to support stability and facilitate external adjustment. The mission's external sector assessment shows that the estimated current account gap would close under the proposed fiscal adjustment. The mission notes that, as the economy becomes diversified, the arrangement should be periodically reviewed to ensure that it continues to serve Kuwait well.

The mission commends the CBK for prudent regulation and supervision which have helped keep the banking sector resilient. The mission supports CBK's plans to conduct a comprehensive inventory of macroprudential tools to ensure that they continue to promote financial sector resilience, prevent buildup of systemic risks, and carefully balance financial stability and growth objectives. Plans to upgrade stress-testing techniques and early warning indicators are welcome. The mission supports the recent decision to remove preferential (zero) risk weights for exposures to GCC sovereigns in the calculation of risk-weighted assets.

The mission supports ongoing efforts to strengthen supervisory and regulatory frameworks. To enhance risk-based supervision, the CBK is planning to better integrate its on- and off-site supervision functions, including through cross-training of staff. The mission welcomes progress towards establishing a centralized Shariah Board at the CBK, as this would reduce risks from inconsistent interpretation of Shariah law in Islamic banks.

The authorities should continue efforts to strengthen crisis management and resolution framework. Reforms should focus on revamping the existing framework to promote orderly resolution of banks, reduce moral hazard, promote market discipline, and help safeguard fiscal resources. To that end, the authorities have prepared a draft law on banking resolution, currently in the cabinet, and initiated internal discussions on the appropriate setup for a deposit insurance scheme in Kuwait. To promote greater coordination between agencies overseeing the financial sector, the CBK has updated the memoranda of understanding with the Capital Markets Authority and the Ministry of Commerce and Industry. A draft law, currently in parliament, assigning the CBK an explicit financial stability mandate and establishing a Financial Stability Committee (FSC) would create a more structured framework for supervision and crisis resolution. Given the banks' dominant share in the financial system, the CBK should take a leading role in the technical work of the FSC.

The mission sees scope to further enhance the liquidity management framework. With IMF assistance, the CBK has operationalized its liquidity forecasting tool, including through formalization of information sharing agreements with relevant entities. The mission is encouraged by progress in extending the forecasting framework beyond the short-run horizon. This has allowed the CBK to better anticipate potential system-wide pressures. The mission recommends further refinements in the liquidity management framework to allow market forces to play a bigger role in the pricing and allocation of liquidity.

The mission recommends a gradual relaxation of lending rate caps. While established corporations already borrow at below the applicable lending rate cap, a gradual relaxation could expand access to credit to a wider segment of the corporate sector and SMEs. It would also reduce concentration of loans over time and promote lending at longer maturities, which would encourage investment. The mission welcomes recent amendments to the law on credit information that have enabled the credit bureau to start gathering credit information on businesses and enhance data collection on retail borrowers. As a comprehensive nationwide rating system is established and banks are better able to price risk, the CBK could consider gradually relaxing the interest rate cap on consumer loans as well. The mission believes that the CBK has a wide menu of macro- and micro-prudential tools to arrest potential risks to financial stability, while its commendable efforts in strengthening consumer protection, including by enhancing financial literacy, would help mitigate risk to individual borrowers.

Statistics

The mission welcomes efforts to enhance the coverage and quality of statistics. The mission commends the Central Statistical Bureau (CSB) for starting to disseminate quarterly national accounts data. The CSB is conducting a household consumption and expenditure survey and laying the groundwork for the 2020 establishment census, which will help to more accurately capture economic activity and update the base year of the national accounts.

C. Promoting Private Sector-Led Growth and Economic Diversification

Weaning the economy off oil hinges on the emergence of a vibrant nonoil sector that creates jobs for the growing labor force. With scope for public sector employment growth limited, the private sector needs to absorb most of 100 thousand Kuwaiti nationals (22 percent of the current Kuwaiti labor force) expected to enter the job market in the next 5 years. To tip the balance toward greater private sector employment of Kuwaitis, the large public-private wage premium should be reduced and accompanied by education reforms to address skill mismatches. The mission welcomes authorities' efforts to promote SMEs given their potential to create jobs, including launching a comprehensive assessment of barriers to SME development.

Reducing the role of the state is paramount for improving economic efficiency, competitiveness, and diversification. The government is looking into PPPs and privatization as a way to raise productivity and encourage a greater role of the private sector. To ensure that PPPs provide value for money, they must be implemented transparently and competitively, and fiscal risks should be limited. The mission encourages the authorities to more effectively address anti-competitive practices and promote competition, including by empowering and strengthening the operational independence of the Competition Promotion Agency. The competition framework should aim for a "competitive neutrality" to even the playing field between private firms and government-owned commercial entities which are currently exempt from the competition law.

The mission welcomes sustained progress in improving the business environment. Kuwait jumped in the 2020 Ease of Doing Business ranking thanks to improvements in starting a business, getting electricity, access to credit, and trading across borders. The mission is encouraged by authorities' plans to further streamline registration, expedite the issuance of business and import licenses, and remove regulatory barriers to FDI. More action is needed to improve the efficiency of courts in ruling over commercial cases and expedite contract enforcement. When passed, the draft insolvency law that aims to revamp insolvency regulations and modernize bankruptcy proceedings would remove an important obstacle to doing business in Kuwait.

Table 1. Kuwait: Selected Economic Indicators, 2016-25

	2016	2017	2018	Est 2019	2020	2021	2022	2023	Projections 2024	2025
Oil and gas sector										
Total oil and gas exports (billions of U.S. dollars)	41.5	49.6	65.4	58.2	59.6	56.5	55.2	55.4	56.6	58.3
Average crude oil export price (U.S. dollars/barrel)	39.5	51.6	68.8	61.8	63.3	58.6	56.1	55.2	55.3	56.0
Crude oil production (millions of barrels/day)	2.95	2.70	2.74	2.70	2.70	2.76	2.81	2.87	2.93	2.99
(Annual percentage change, unless otherwise indicated)										
National accounts and prices										
Nominal GDP (market prices, in billions of Kuwaiti dinar)	33	37	42	41	43	43	45	46	49	51
Nominal GDP (market prices, in billions of U.S. dollars)	109	121	141	137	143	144	148	154	161	169
Real GDP 1	2.9	-4.7	1.2	0.7	1.5	2.7	2.7	2.7	2.7	2.7
Real oil GDP (including refineries)	3.9	-9.0	0.2	-1.0	0.3	2.0	2.0	2.0	2.0	2.0
Real non-oil GDP	1.4	1.8	2.7	3.0	3.0	3.5	3.5	3.5	3.5	3.5
CPI inflation (average)	3.5	1.5	0.6	1.1	1.8	2.5	2.5	2.5	2.5	2.5
CPI inflation (eop)	2.6	1.1	0.4	1.8	2.2	2.5	2.5	2.5	2.5	2.5
Unemployment rate (Kuwaiti nationals)	3.3	3.3	...	...	...	...	...	...	...	...
(Percent of GDP at market prices)										
Budgetary operations 2										
Revenue	52.7	58.3	60.9	59.9	58.0	55.6	54.0	52.8	52.2	51.2
Oil	34.4	37.8	43.7	40.6	39.6	37.0	35.2	34.2	33.5	32.9
Non-oil, of which:	18.2	20.5	17.2	19.3	18.4	18.7	18.8	18.7	18.7	18.2
Investment income	14.6	16.2	12.2	14.0	13.2	13.1	13.2	13.1	13.2	12.8
Expenditures 3	52.2	50.7	52.0	54.4	54.8	56.1	56.7	56.7	56.5	55.9
Expense	45.6	44.2	45.8	47.8	48.1	49.1	49.6	49.7	49.5	49.1
Capital	6.5	6.6	6.2	6.6	6.7	7.0	7.1	7.1	7.0	6.9
Balance	0.5	7.5	8.9	5.5	3.2	-0.5	-2.7	-3.9	-4.3	-4.8
Balance (after transfer to FGF and excl. investment income)	-17.9	-12.9	-8.2	-13.1	-14.5	-17.8	-20.0	-21.0	-21.4	-21.4
Domestic financing (net)	6.5	1.8	-2.7	0.1	3.5	3.4	3.3	4.4	4.2	4.0
External financing (net)	11.4	11.0	10.9	13.1	11.0	14.4	16.6	16.6	17.2	17.5
Non-oil balance excl. investment income (percent of non-oil GDP) 4	-83.5	-85.5	-91.1	-89.6	-88.6	-86.4	-84.7	-83.2	-82.0	-80.7
Excluding oil-related subsidies and benefits (percent of non-oil GDP)	-74.5	-76.6	-80.6	-80.1	-79.3	-77.9	-76.8	-75.6	-74.5	-73.4
Total gross debt (calendar year) 5	10.0	20.5	14.8	15.3	18.2	30.7	40.3	53.0	64.1	73.6
Estimated KIA assets	476.6	460.4	398.2	412.4	410.3	414.1	412.3	405.3	394.7	380.5
Net government financial assets	466.6	439.9	383.3	397.1	392.0	383.4	372.0	352.4	330.5	306.9
(Percent change; unless otherwise indicated)										
Money and credit										
Net foreign assets 6	8.7	-3.1	10.0	6.6	1.0	1.8	2.0	1.6	1.9	2.0
Claims on nongovernment sector	2.5	2.8	3.9	5.9	5.7	6.6	6.6	6.5	6.5	6.5
Kuwaiti dinar 3-month deposit rate (year average; in percent)	1.1	1.5	2.3	...	...	...	...	...	...	...
Stock market unweighted index (annual percent change)	-0.2	12.8	11.8	...	...	...	...	...	...	...
(Billions of U.S. dollars, unless otherwise indicated)										
External sector										
Exports of goods	46.5	55.2	72.3	64.6	66.3	63.3	62.2	62.8	64.4	66.6
Of which: non-oil exports	5.0	5.6	6.9	6.4	6.8	6.8	7.0	7.3	7.8	8.3
Annual percentage change	-15.7	11.7	22.3	-7.7	6.2	1.0	2.7	4.9	6.3	6.5
Imports of goods	-27.0	-29.5	-31.3	-32.5	-33.4	-34.7	-36.3	-37.9	-39.6	-41.0
Terms of Trade (ratio, annual percent change)	-12.5	27.1	19.9	-10.3	2.1	-5.8	-3.1	-1.8	-0.4	0.8
Current account	-5.1	9.6	20.4	11.6	11.6	6.7	3.7	2.2	1.7	1.5
Percent of GDP	-4.6	8.0	14.5	8.5	8.1	4.6	2.5	1.4	1.1	0.9
International reserve assets 7	31.2	33.6	37.2	39.7	41.1	42.8	44.8	46.4	48.3	50.4
In months of next year's imports of goods and services	6.6	6.4	6.8	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Memorandum items:										
Exchange rate (U.S. dollar per KD, period average)	3.31	3.31	3.31	...	...	...	...	...	...	...
Nominal effective exchange rate (Percentage change)	0.9	0.8	-0.4	...	...	...	...	...	...	...
Real effective exchange rate (Percentage change)	2.7	0.8	-2.7	...	...	...	...	...	...	...

Sources: Data provided by the authorities; and IMF staff estimates and projections.
1. Calculated on the basis of real oil and non-oil GDP at market prices.
2. Based on fiscal year cycle, which starts on April 1 and ends on March 31.
3. Starting FY2016/17, there has been a reclassification of expenditure items.
4. Excludes pension fund recapitalization.
5. Excludes debt of Kuwait's SWF related to asset management operations.
6. Excludes SDR holdings and IMF reserve position.
7. Does not include external assets held by Kuwait Investment Authority.

Deliberations on

Continued from Page 1

He clarified that he submitted the draft law on amnesty for those convicted in the Abdally Cell case before the submission of the bill on amnesty for those convicted of storming the Assembly building. He cited Article 100 of the National Assembly decree stating that in case more than one bill on the same topic is submitted, the first bill is considered the main one while those submitted later are regarded as amendments.

Oh Maryam,

Continued from Page 1

In fact, they will brandish their knives towards the government, that is, any government, in order to capitalize on the situation for the sake of the electoral gains. This means these people will venture with everything for the sake of their personal interest. This is the worst level that a country can reach.

All that the honorable MPs need to do is look around and see what some Arab countries have become due to corruption and mismanagement, so that they can be deterred from taking the same path. As for the honorable Minister Maryam Al-Aqeel, she should neither fear nor back down on the truth that she revealed, and she should not sugarcoat the situation.

PM reflects

Continued from Page 1

Describing the symposium as highly significant, the Kuwaiti prime minister said the country's stint in the UN Security Council was an utter success, helping thrust Kuwait's diplomatic shrewdness into the global limelight, citing its unflinching foreign policy that garnered the trust of UN Security Council members.

He went on to say that Kuwait did everything in its power to ensure that peace and stability in the region remained intact, pointing out that the UN Security Council tenure was also a learning experience that gave Kuwait some insight on how to deal with sudden outbreaks of conflict.

Kuwait's UN Security Council membership coincided with a turbulent time on both regional and international levels, the Kuwaiti premier explained, saying the silver lining was the opportunity to work closer with UN Security Council member states.

With the end of Kuwait's UN Security Council stint, the country lived through a "pivotal point" in its illustrious history, pushing it forward amid its quest to attain global prominence, he highlighted.

Foreign Minister Sheikh Dr Ahmad Nasser Al-Mohammad Al-Sabah also commended Kuwait's non-permanent membership of the UN Security Council (UNSC) for the second time in its history as a "successful experience".

The minister made the remark during a symposium held at the Foreign Ministry under the aegis and in the presence of His Highness the Prime Minister Sheikh Sabah Khaled Al-Hamad Al-Sabah, under the title: "Kuwait's Second Experience at the UN Security Council – 2018-2019".

Sheikh Dr Ahmad Nasser said that at the behest of the country's political leadership, Kuwait maintained its unyielding abidance by noble values enshrined in the UN Charter.

"Kuwait's second experience at the UNSC was so successful and fruitful that Kuwait, at the direction of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah and His Highness the Prime Minister Sheikh Sabah Khaled Al-Hamad Al-Sabah, pursued its unwavering commitment to noble values enshrined in the UN Charter and even other relevant international covenants," he said.

Newswatch

Continued from Page 1

the spread of the virus, Ministry of Health is considering closing down the new infectious diseases hospital, a move that sources from the health sector are criticizing, considering the current critical health situation.

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RIYADH: Saudi Energy Minister Prince **Abdulaziz Bin Salman Al-Suad** confirmed on Monday that **Saudi Arabia** and OPEC countries have needed capabilities to deal with any changes in the oil markets results from the negative impact of coronavirus on the Chinese and global economy.

The Kingdom of Saudi Arabia is closely following latest updates in the global oil economy including the supply-and-demand, Saudi Press agency quoted the minister as saying. (KUNA)

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BAGHDAD: A nighttime rocket attack on the **US** Embassy in Baghdad injured one personnel member and caused some material damage, staffers there said Monday.

The two staff members, who spoke on condition of anonymity because they were not authorized to brief the media, did not specify the injured person's nationality or the severity of their wounds. (AP)