

Ayman M Al-Sayari: 48th Annual Meeting of the Council of Arab Central Banks and Monetary Authorities' Governors

Speech by Mr Ayman M Al-Sayari, Governor of the Saudi Central Bank, at the 48th Annual Meeting of the Council of Arab Central Banks and Monetary Authorities' Governors, Riyadh, 1 October 2024.

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In the name of Allah, the Most Gracious, the Most Merciful

His Excellency Dr. Mostafa Madbouly, Prime Minister,

Your Excellencies, Governors of Arab Central Banks and Monetary Authorities,

His Excellency, the Director General Chairman of the Board of Arab Monetary Fund, Ladies and Gentlemen,

Greetings,

On the occasion of the 48th session of Council of Arab Central Banks and Monetary Authorities' Governors, I am pleased to express my sincere appreciation and gratitude to the Arab Republic of Egypt, its President, government and people, for hosting the meeting and for the warm reception and generous hospitality, wishing Egypt all progress and prosperity.

I would like to thank H.E. the Governor of the Bank of Algeria, Mr. Salah Eddine Taleb, for his chairmanship of the preceding session. I also extend my thanks to H.E. the Governor of the Central Bank of Egypt, Mr. Hassan Abdullah, and the staff of the Central Bank of Egypt for their efforts in organizing the meeting. Thanks are also extended to the Director General Chairman of the Board of Arab Monetary Fund and the staff for their efforts and effective contribution to the organization and preparation of this meeting, and their efforts in working on the many significant topics and issues addressed by our meeting this year, which reflect the priorities of Arab central banks and monetary authorities.

Despite the positive expectations for global economic growth, there are some challenges for policymakers and investors in predicting the path of the global economy in the near future. These challenges include rising geopolitical tensions, fluctuations in commodity prices, and the repercussions of tightening monetary conditions in many countries.

On the other hand, the recent reduction in interest rates by a number of central banks marks the beginning of a cycle of monetary easing, which will gradually reflect positively on reducing the cost of lending and the risks of servicing public debt, as well as stimulating investment and improving economic activity.

Undoubtedly, central banks play an important role in maintaining monetary and financial stability, developing policies to address current challenges and enhancing the safety of the financial and banking sector. Preserving overall economic and financial stability is a prerequisite for addressing economic challenges in the medium and long term.

The latest report of the International Monetary Fund issued in July 2024 indicates that the global economy is expected to grow by around 3.2% in 2024, and around 3.3% in 2025, indicating the improvement in economic activity. The global inflation rate is also expected to decline from 6.7% in 2023 to 5.9% and 4.4% in 2024 and 2025, respectively.

In recent years, Saudi Arabia's economy has recorded growth rates at an increasing pace due to the ongoing reforms in economic diversification. Despite the fact that many economies around the world have been affected by external influences and geopolitical tensions, Saudi Arabia still maintains a balanced and steady economy capable of absorbing external shocks.

In this regard, while Saudi economic growth reflected developments in the oil market, the non-oil sector, supported by significant domestic demand, fared well.

The Council's meeting represents a valuable opportunity to discuss economic, financial and monetary developments and to deal with them effectively in a way that stimulates opportunities and fulfills aspirations. Our agenda today includes several issues and topics, including discussing the management of monetary policy in an environment of high uncertainty and multiple shocks, the implications of growing private sector indebtedness on financial stability in Arab countries, the role of central banks in dealing with climate change issues, and AI applications in the financial sector.

In this respect, I would like to thank the speakers for their participation in presenting on the topics raised. I would like to recognize the Arab Monetary Fund and the International Monetary Fund for their cooperation in organizing a timely workshop on "Enhancing the Resilience and Stability of the Financial System in the Age of Digitalization."

On this occasion, I would like to applaud the management of the Arab Monetary Fund for its strategic vision, policy advice, and technical assistance in capacity building in the Arab region.

In conclusion, I wish this meeting all the best in its deliberations and recommendations that will enable us to enhance the pivotal role of this Council in cooperation and coordination between Arab central banks and monetary authorities.

Thank you.