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GCC governments are still behaving like it's a $70 oil price environment.

There's certainly the appetite for $90 and above in terms of the benefit that it accrues to the overall economy and fiscal health of the governments, but we still have 15% VAT in Saudi Arabia and haven't seen any kind of easing in terms of the tightening of fiscal policy that has been enacted in the last couple of years. We had a little bit of loosening earlier this year in both Saudi and the UAE related to cost-of-living adjustments but the scope for who is eligible was quite narrow. Overall, the headline fiscal position of the GCC is very strong as we end the year. Kuwait, Bahrain and Oman are running big fiscal surpluses after being accustomed to very wide deficits, which is really quite astonishing.

Any downside?

Going down the route of raising capital via debt markets has become much more expensive. So even if you have good credit, as do Abu Dhabi, Qatar or Saudi Arabia at the sovereign level, they now have 50 to 100 basis points added onto spreads compared with the start of the year, simply on the back of US rates going higher.

Outlook for the Chinese economy into 2023?

We are certainly transitioning into a structurally lower China growth story. Industry, industry, industry exports, export exports - is not what's going to drive China going forward. It's also worth bearing in mind that China is not necessarily a quiet geopolitical risk going forward. An example is the suspension of exports of microchips to China by the US; that effort to build an alliance of not sharing technology with the China could be a prolonged risk. China might end up with a capped level of development and growth and it might have to work harder, or other countries are going to have to adjust their own policies in order to have a meaningful and long lasting trade relationship with China. ■

**Paraphrased Comments*

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