MIDDLE EAST

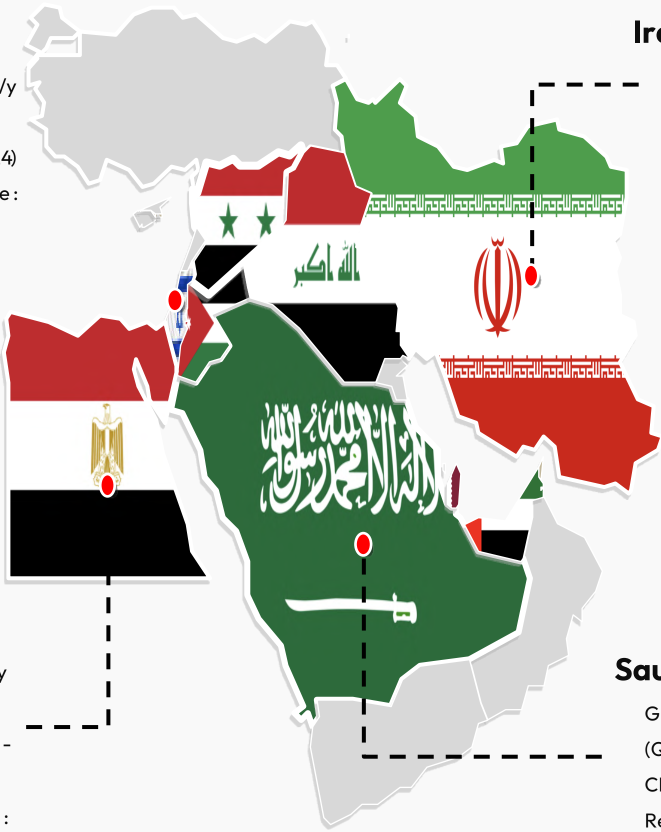
MIDDLE EAST: GULF COOPERATION COUNCIL SUPPORTED ECONOMIC GROWTH

Israel

GDP growth rate: 0.10% y/y (Q2-2024).
CPI rate: 3.50% y/y (Sept -2024)
Benchmark Interest Rate: 4.50%

Iran

GDP growth Rate: 4.60% y/y (Q2-2024).
CPI rate: 34.50% y/y (Oct - 2024)
Benchmark rate: 23.00%



Egypt

GDP growth rate: 2.40% y/y (Q2-2024)
CPI rate: 26.50% y/y (Oct - 2024)
Benchmark Interest Rate: 27.25%

Saudi Arabia

GDP growth Rate: 2.80% y/y (Q3-2024)
CPI rate: 1.90% y/y (Oct -2024)
Reverse Repo Rate: 4.50%

- The Gulf states have relied on their abundant hydrocarbons, particularly oil, to pursue economic and political activities that serve their national interests. The foreign and domestic policies of the Gulf Arab countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, or UAE) significantly affect global energy security, international stability and global markets. The region holds more than 30.0% of the world's proven crude oil and 20.0% of its natural gas reserves.

- Real GDP growth in the Middle East has been modest in 2024. Most of the growth has been driven by Gulf Cooperation Council (GCC) countries. According to the World Bank's Gulf Economic Update, economic growth in the GCC is expected to grow by 2.80% in 2024 and 4.7% in 2025. The region's prospects builds on the strong momentum of the non-oil economy, and the recovery in oil output.

- On a country level, there are disparities in factors driving economic growth. Whereas Bahrain's performance hangs on oil market prospects, Kuwait's growth has been driven by expansionary fiscal policies. Oman has focused on increasing its gas production and diversification efforts, and Qatar's non-oil growth has been driven by tourism