

# MOODY'S

## MENA Economic Outlook: Navigating Through Uncertainty

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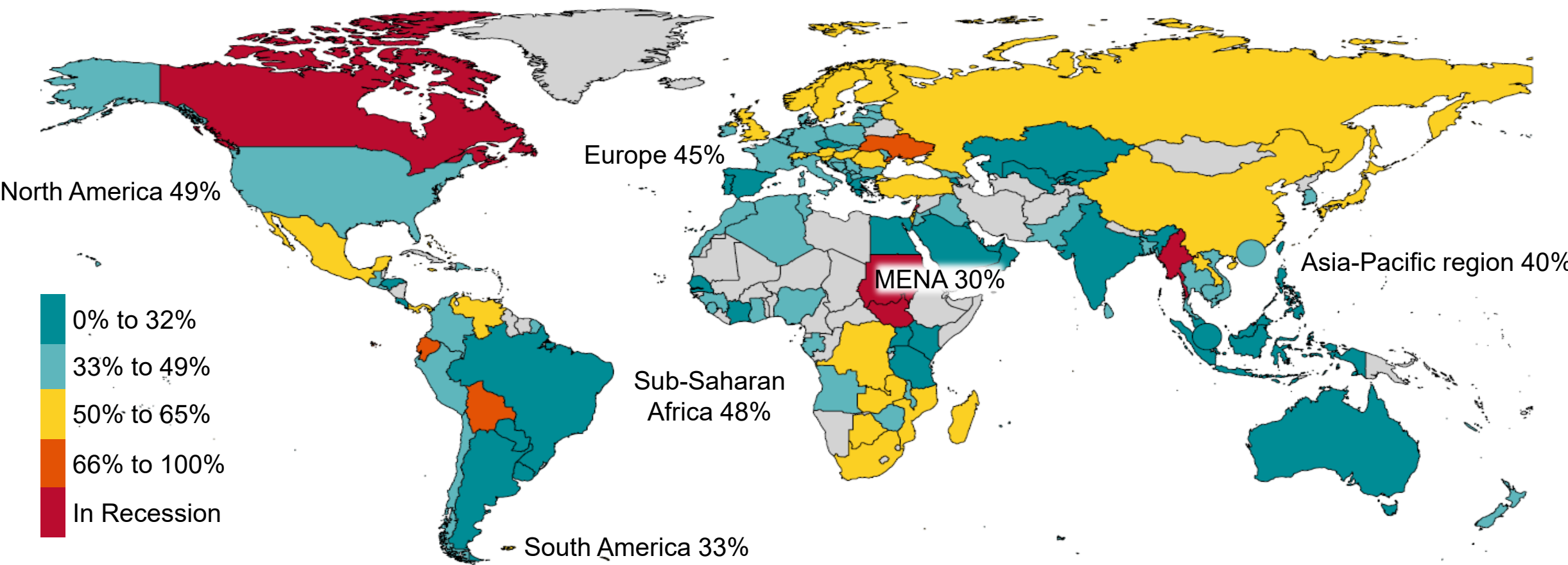
November 2025

The background is a solid dark blue color. It features several abstract, wavy, light blue line patterns. These patterns consist of many thin, overlapping lines that create a sense of depth and movement, resembling stylized waves or a topographical map. The lines are more concentrated on the left side and fade out towards the right.

# The Global Economy

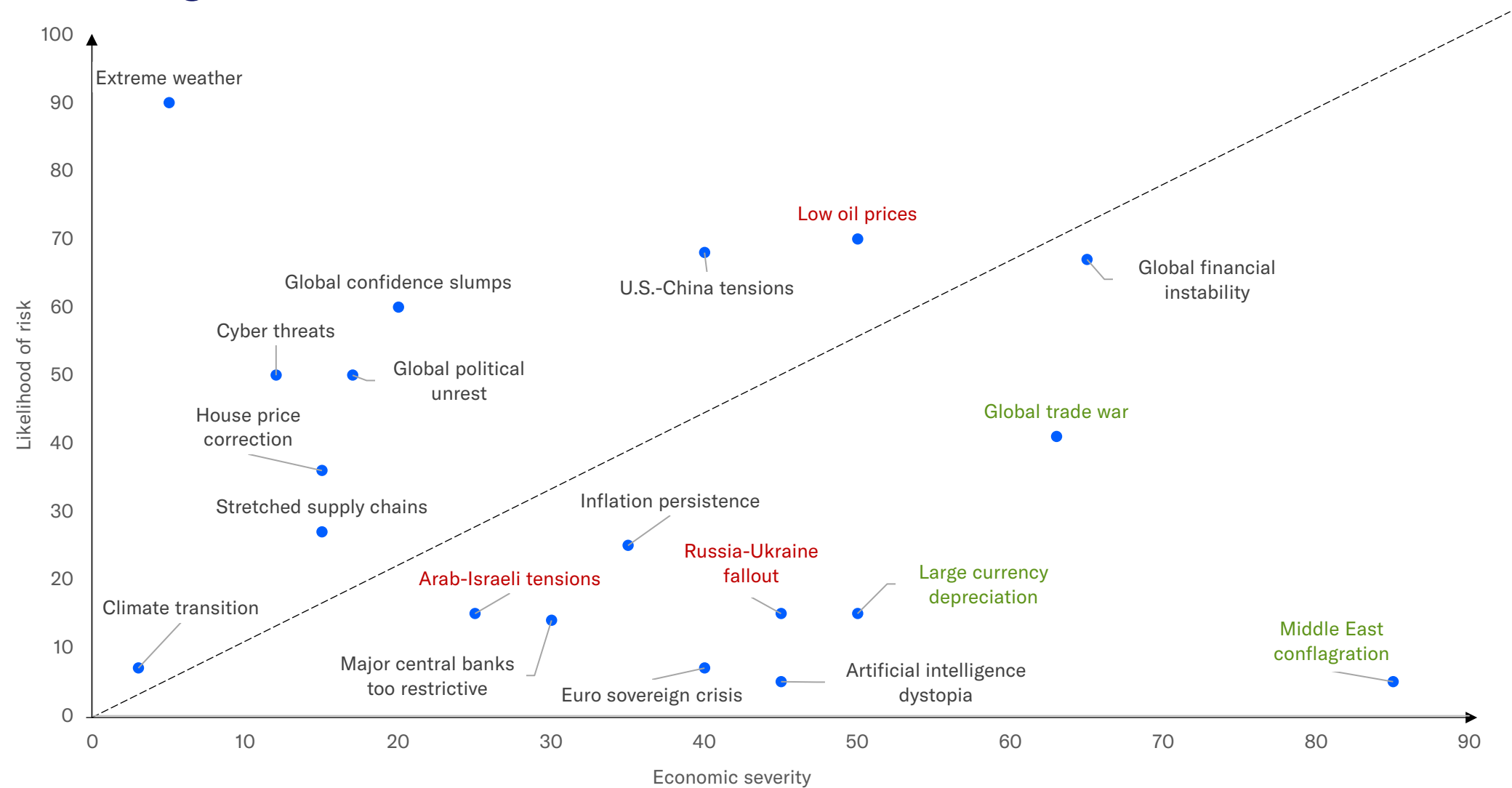
# Probability of a Recession Starting in the Next 12 Months

Regional aggregates, weighted by real GDP at PPP



Source: Moody's Analytics

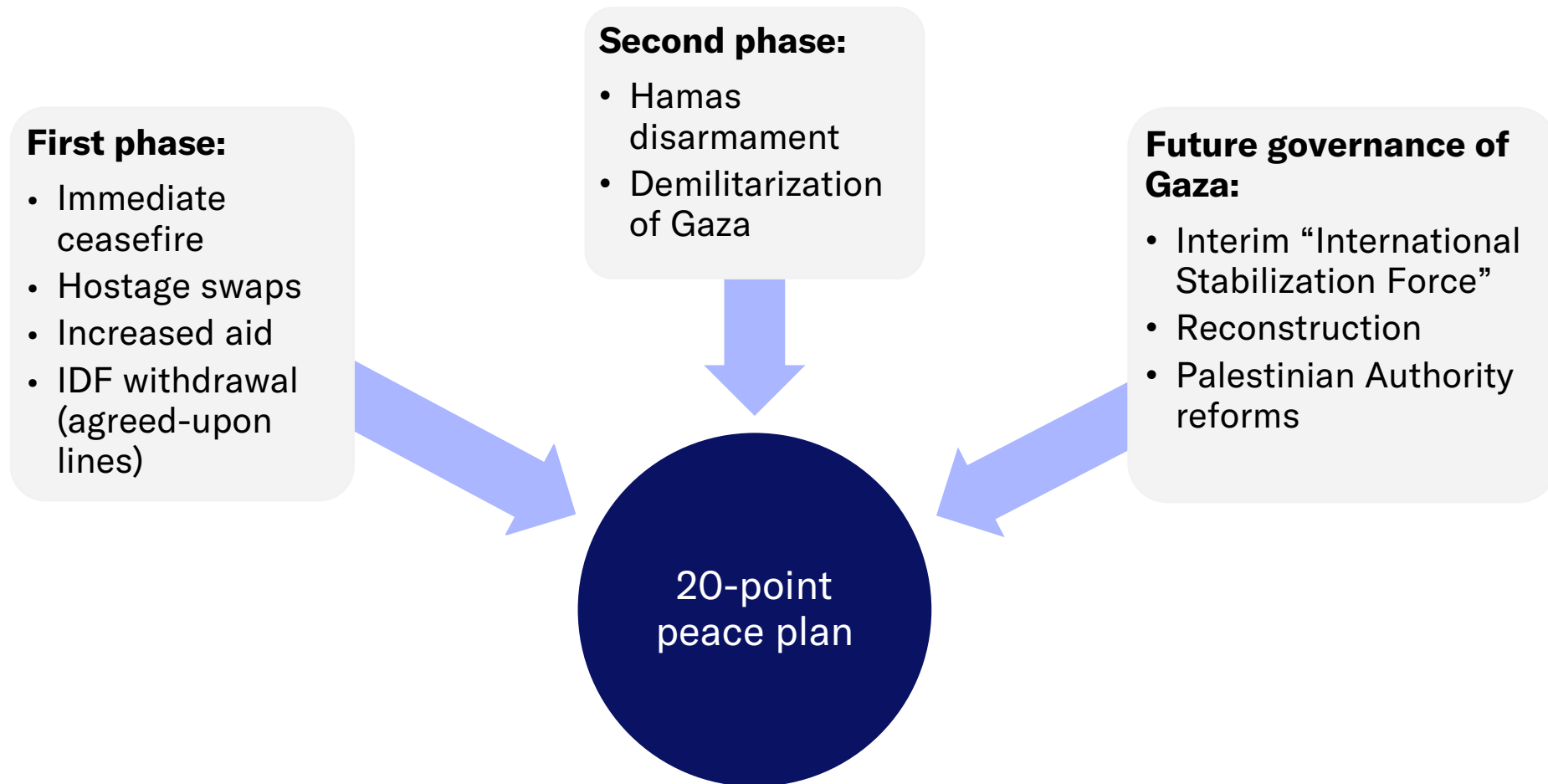
# MENA Region Risks



Source: Moody's Analytics

# Israel-Hamas Ceasefire

Oct brought the U.S.-brokered 20-point peace plan



# Israel-Hamas Ceasefire – Challenges and Economic Impact

The next phases of the ceasefire remain challenging, while the developments in 2025 have had little macro impact.

## Plenty of challenges in the next two stages

Hamas voted against the U.S. plan at the U.N. Security Council.  
-> Disarmament and future governance will be hard to negotiate.

U.S.'s role is critical.  
-> If negotiations stall, will Trump stay interested?

## Ceasefire reduces regional economic risks

### The ceasefire lowers regional risks

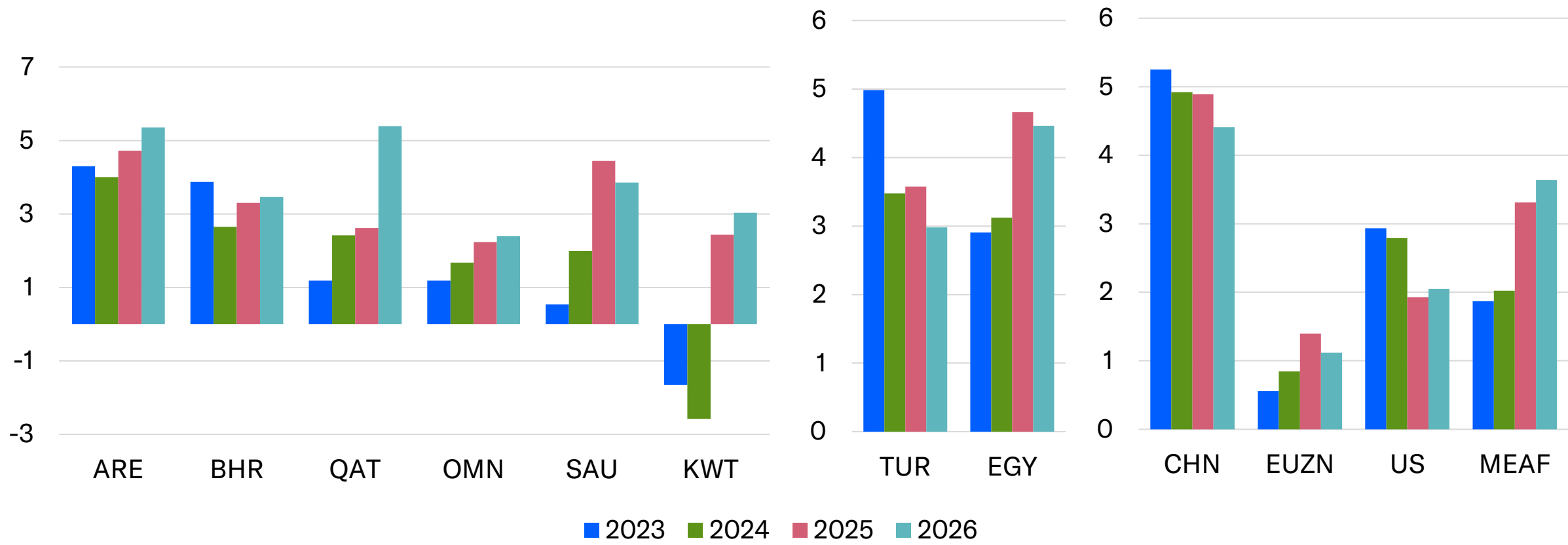
- Reduced likelihood of regional escalation.
- Opens the door to the normalization of Arab-Israeli relations through the expansion of the Abraham Accords.

### Escalations this year had little regional macro impact

- Israel-Iran conflict (June) -> No closure of the Strait of Hormuz.
- Israel strike on Qatar (September) -> No tourism or investment impact on the region.
- Oil prices have been remarkably stable throughout.

# Mixed Outlook for 2025 and 2026

Real GDP, %



Sources: National statistics offices, Moody's Analytics



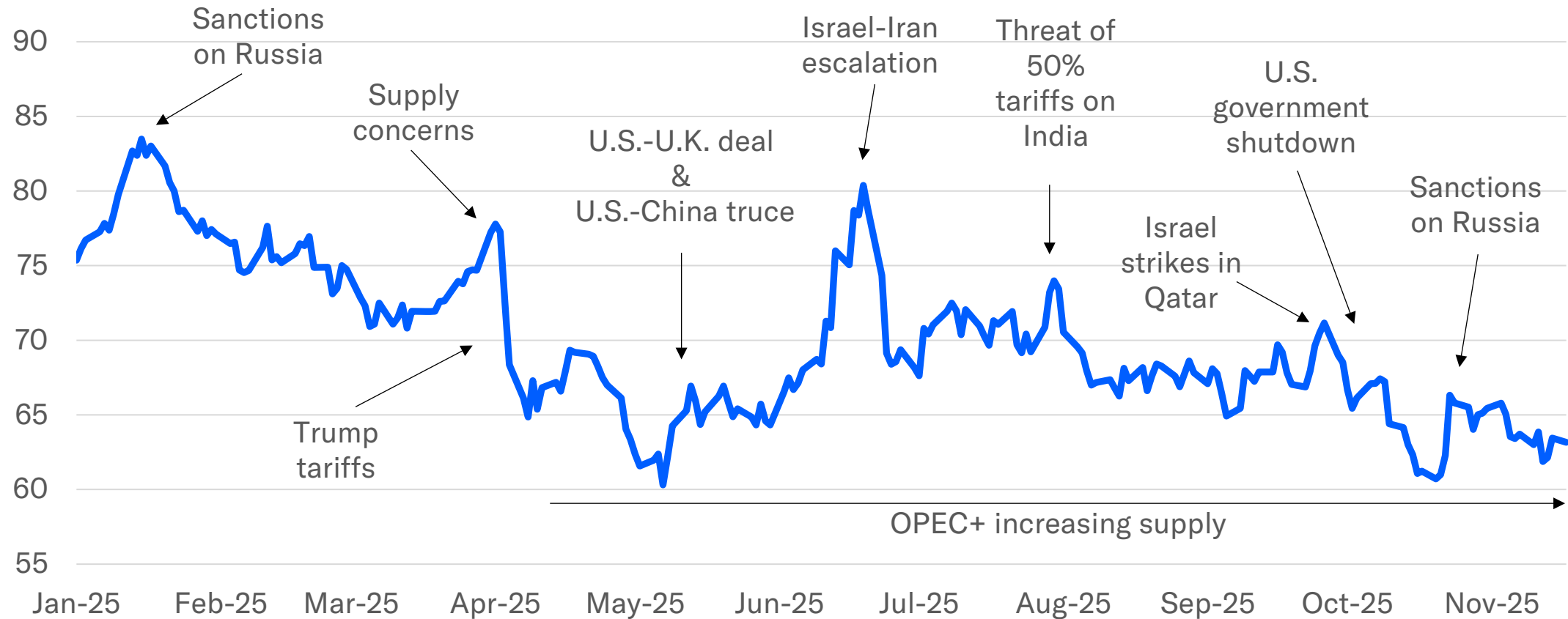
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# The Oil Market



# Downside Risks in Oil Markets

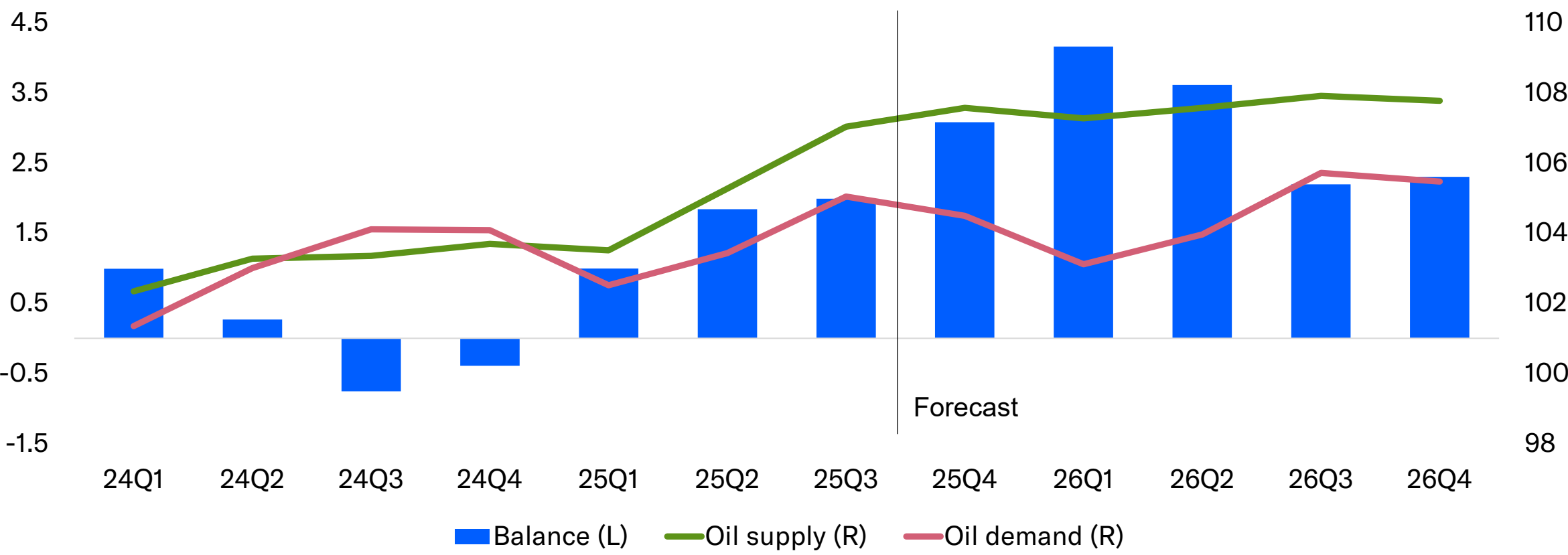
Brent, \$ per bbl



Sources: EIA, Moody's Analytics

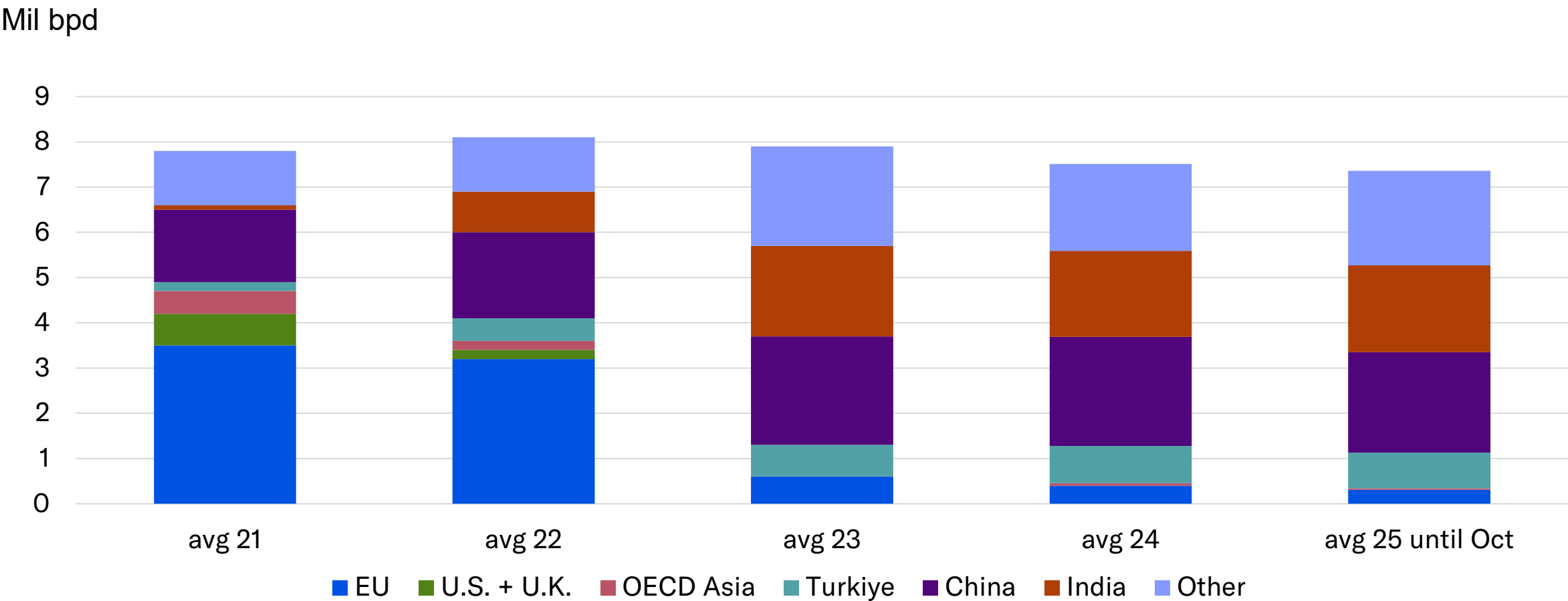
# Supply Glut

Mil bpd



Sources: IEA, EIA, Moody's Analytics

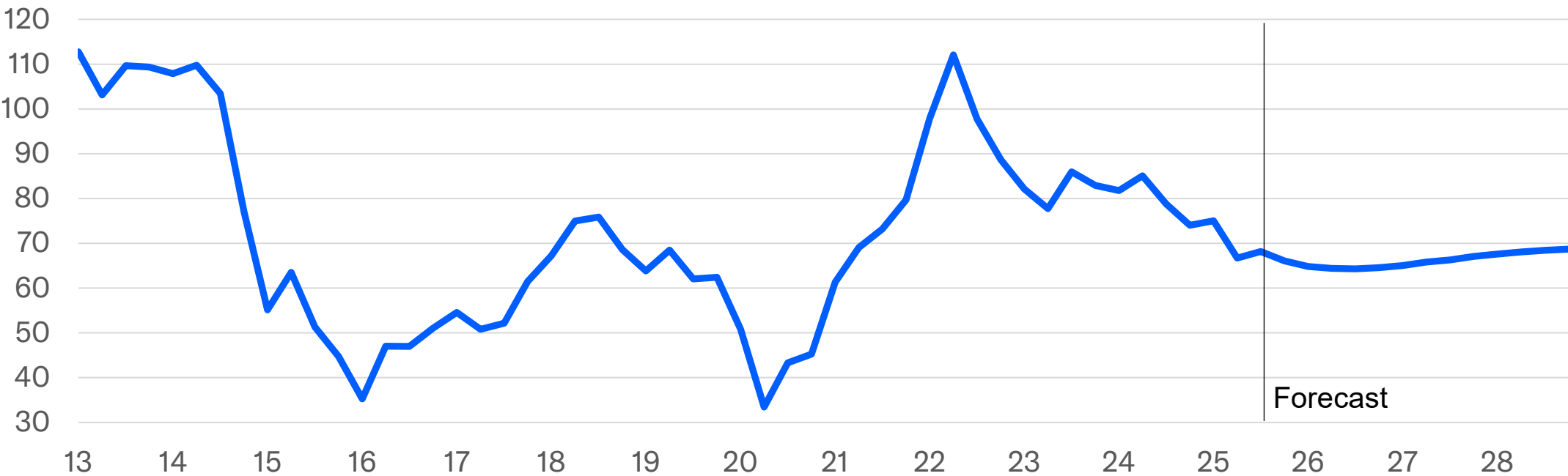
# Will Russian Oil Exports Stay Untouched by Sanctions?



Sources: IEA, Moody's Analytics

# Will Downside Risks Prevail?

Brent, \$ per bbl



Sources: EIA, Moody's Analytics

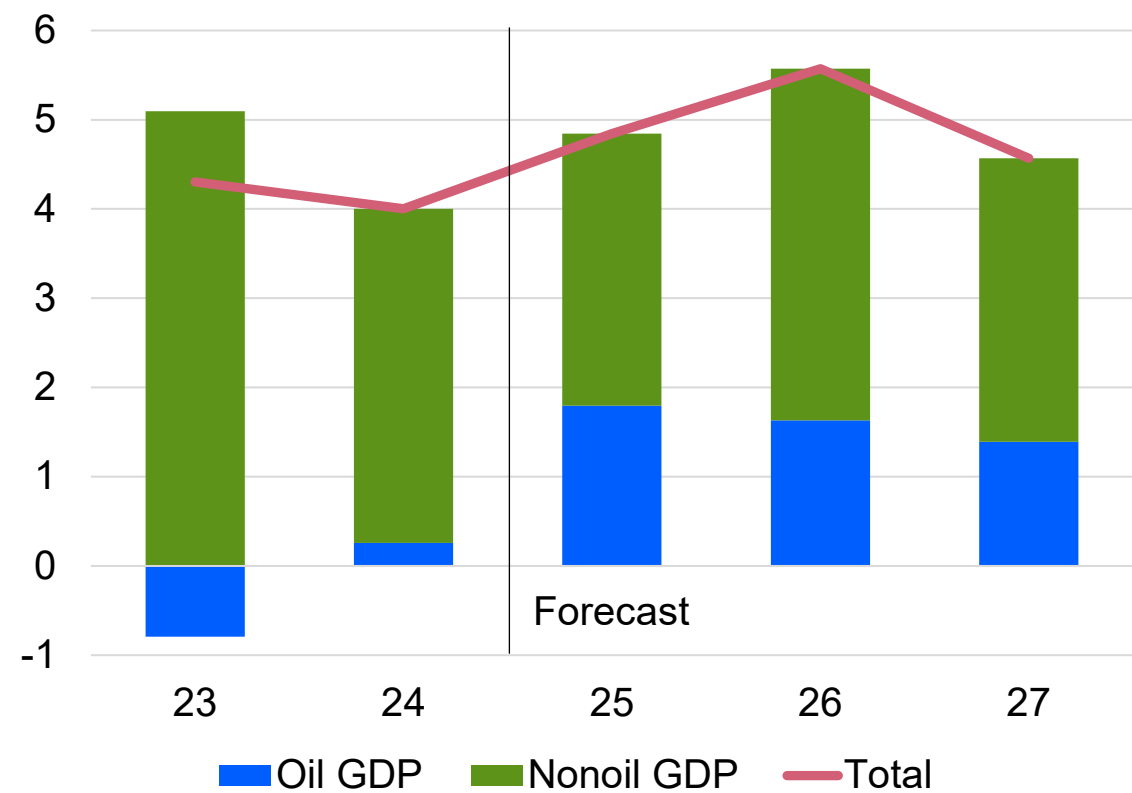
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# UAE Outlook

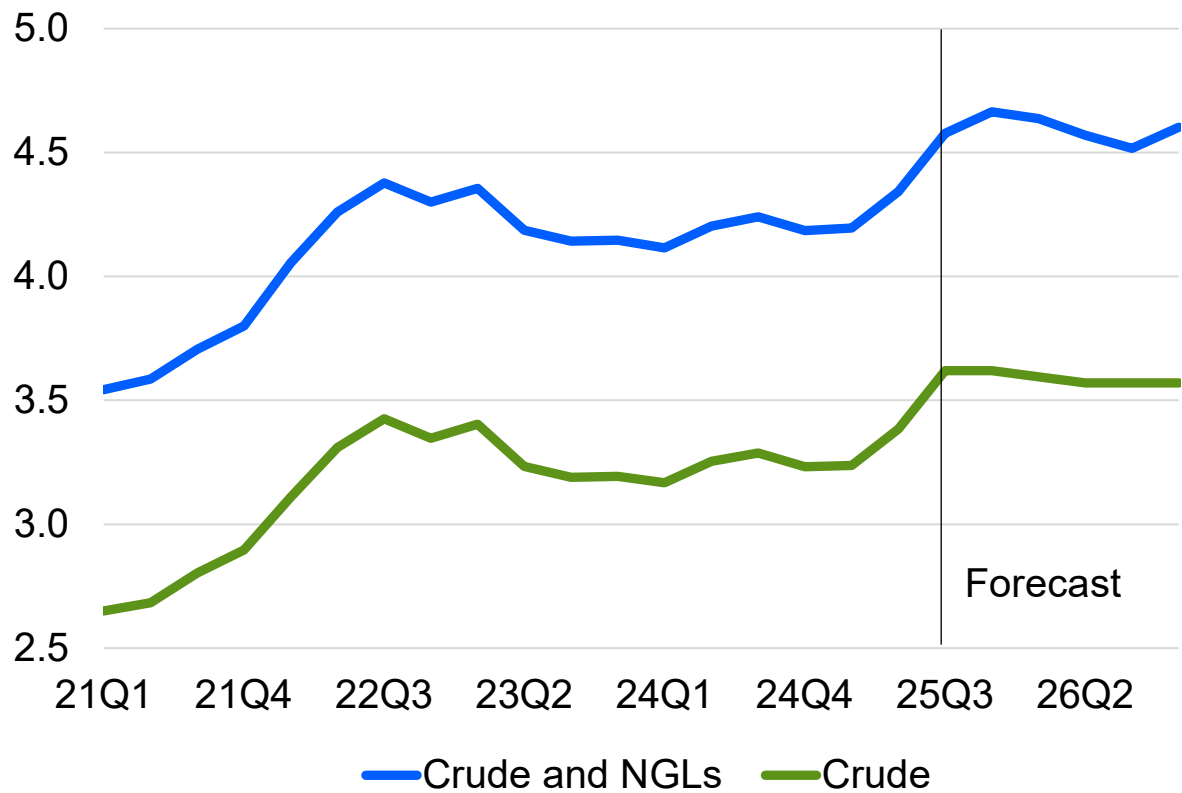


# Rising Oil Production Offsetting Nonoil Slowdown

GDP growth and contribution to GDP, ppts



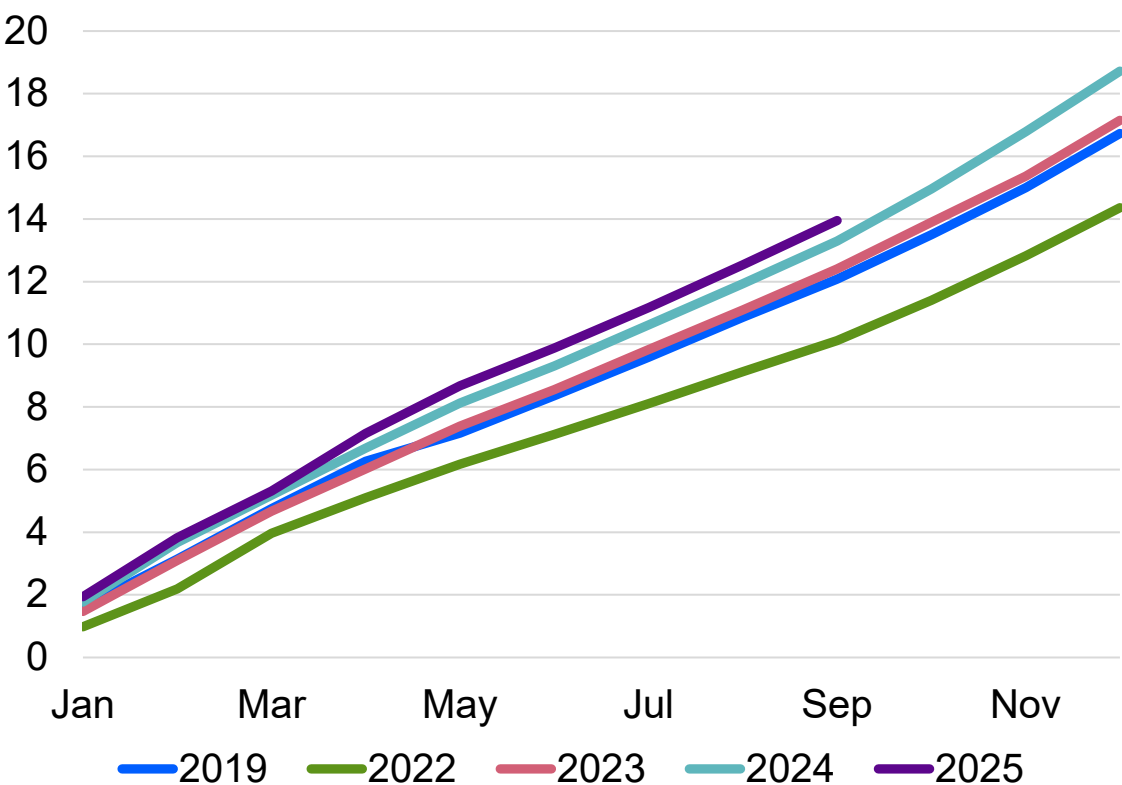
Oil production, mil bpd



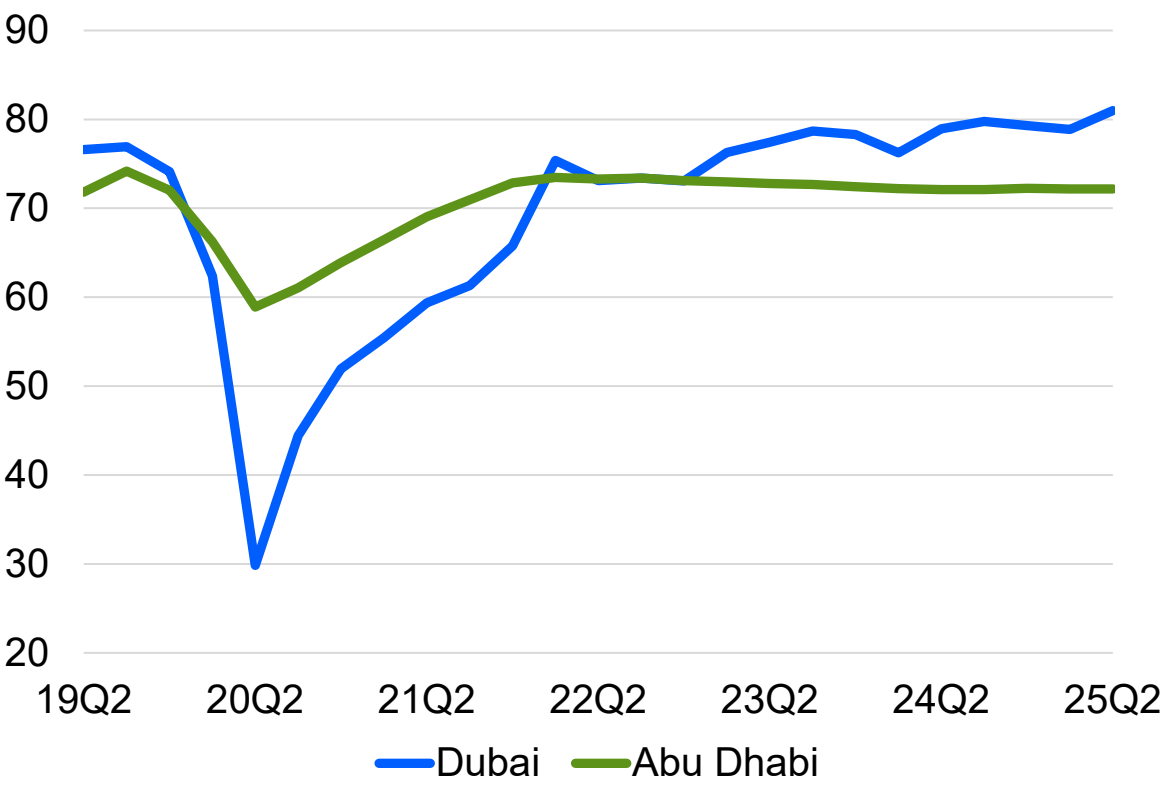
Sources: Federal Competitiveness and Statistics Centre, Moody's Analytics

# Tourism Breaking Records

Dubai international visitors, YTD, mil



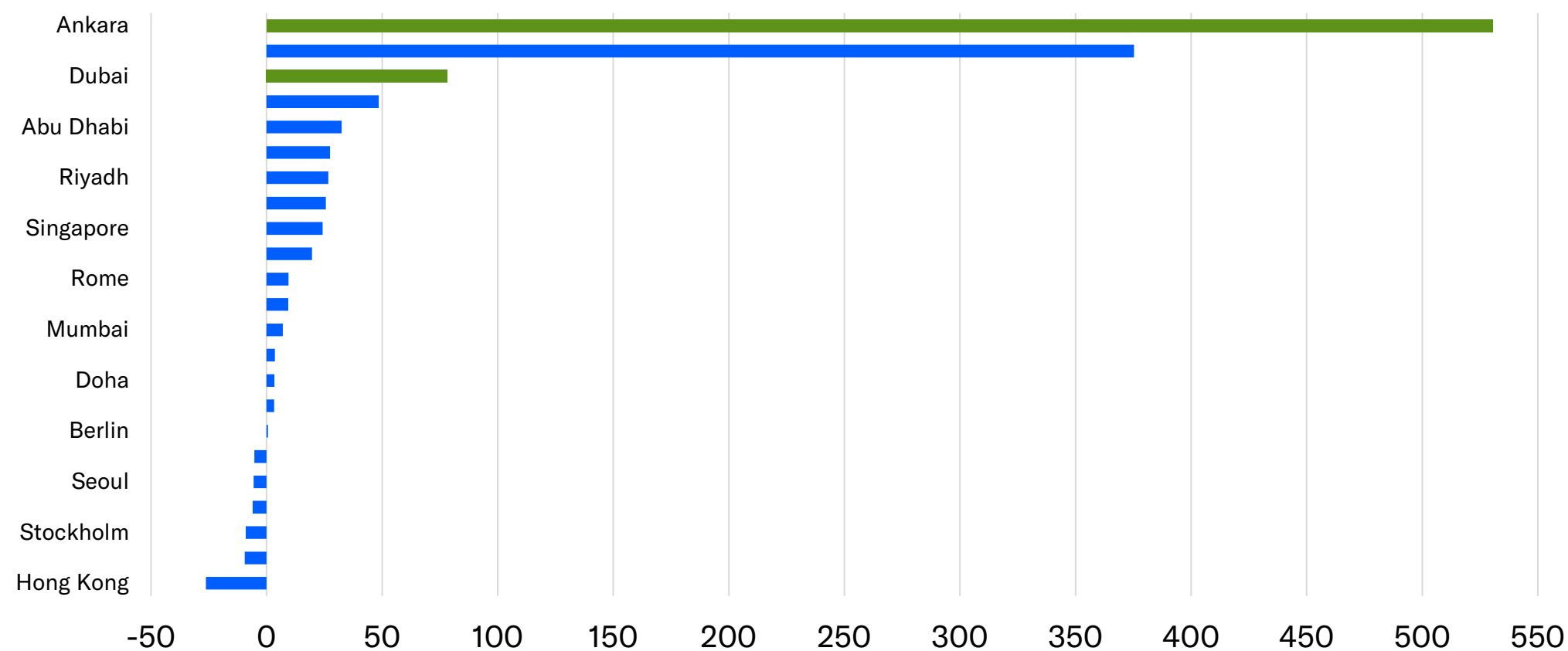
Hotel occupancy rate, %



Sources: Government of Dubai, Dubai Statistics Centre, Moody's Analytics

# UAE Housing Market Charging Ahead

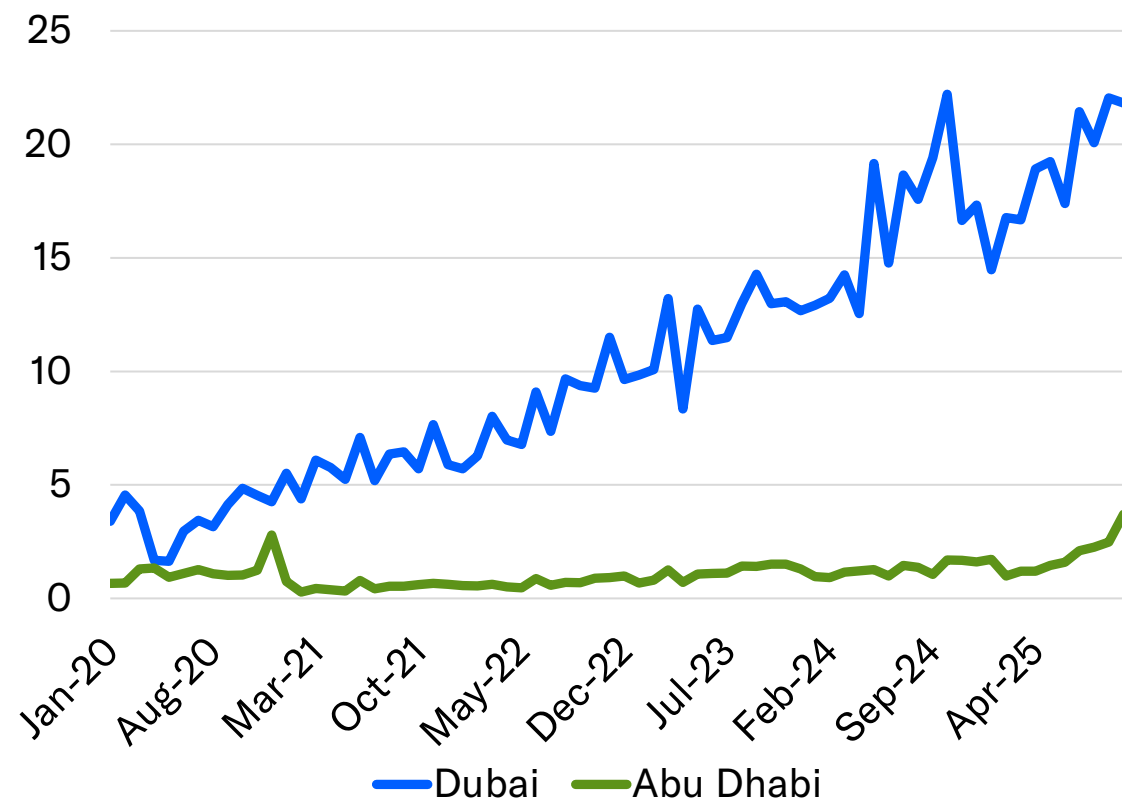
House price growth, %, 2022Q1=100



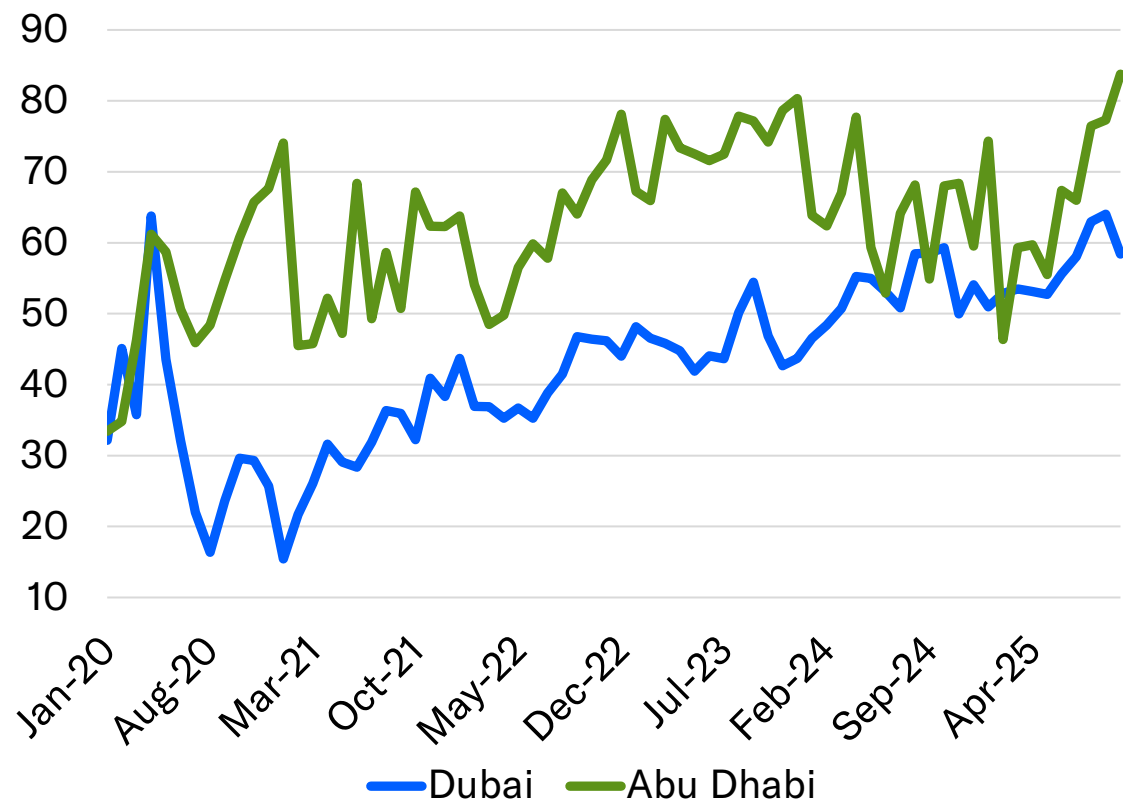
Sources: Statistical offices, Moody's Analytics

# Dubai's Strong Demand and Mostly Off-Plan

Residential property transactions, ths



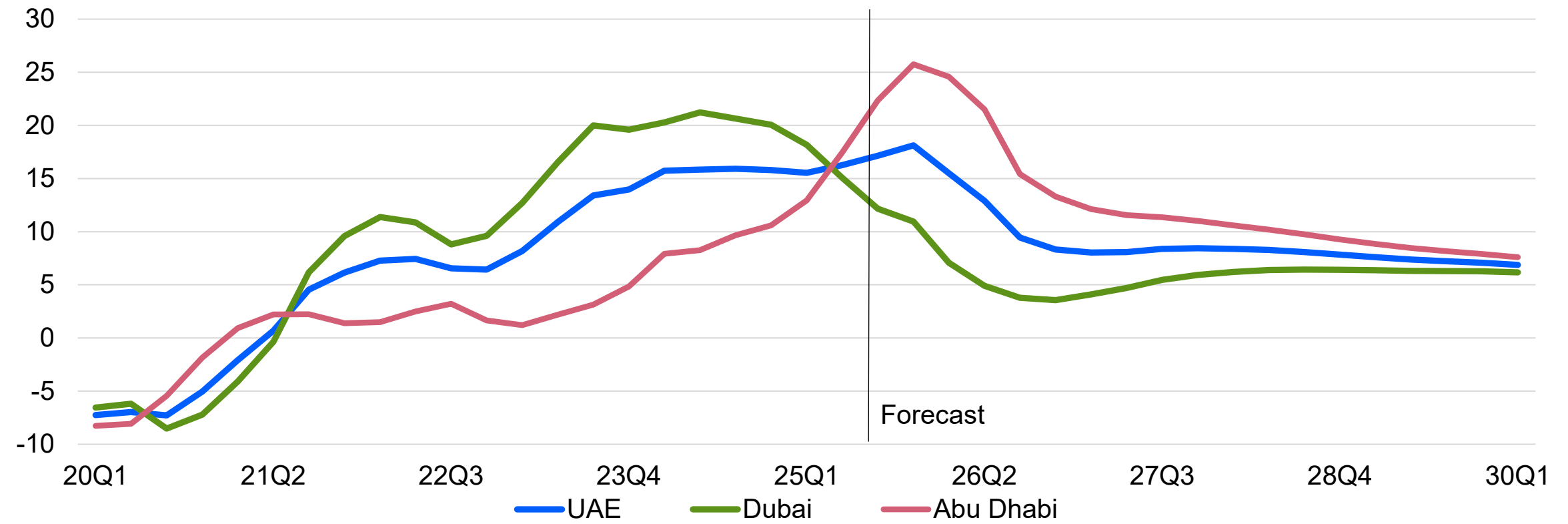
Off-plan transactions, % of total



Sources: Dubai Land Department, Abu Dhabi Real Estate Centre, Moody's Analytics

# Abu Dhabi Real Estate Overtaking Dubai

House price index, % change yr ago



Sources: Bank for International Settlements, Moody's Analytics

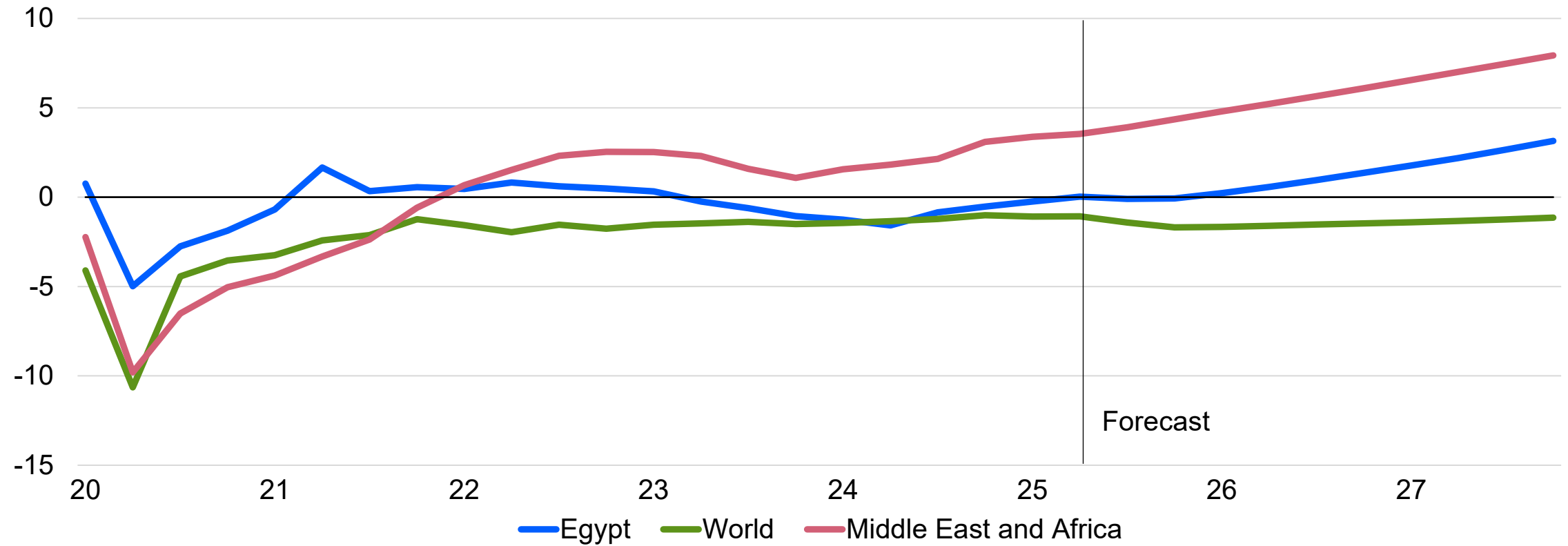


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# Egypt Outlook

# Egypt's Economy Is Back on Track

Real GDP, % deviation from pre-pandemic trend

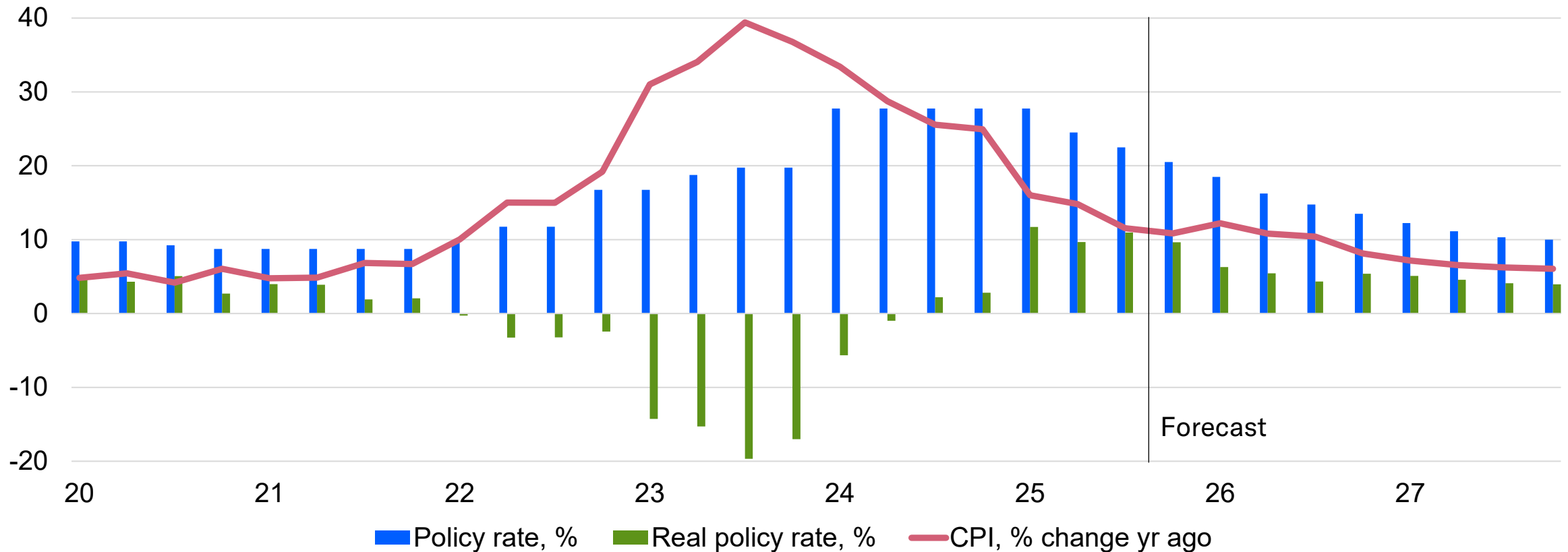


Note: Pre-pandemic trend is based on 2015-2019 data.

Sources: National statistics offices, Moody's Analytics

# Lower Inflation Allows the Central Bank to Cut Policy Rates

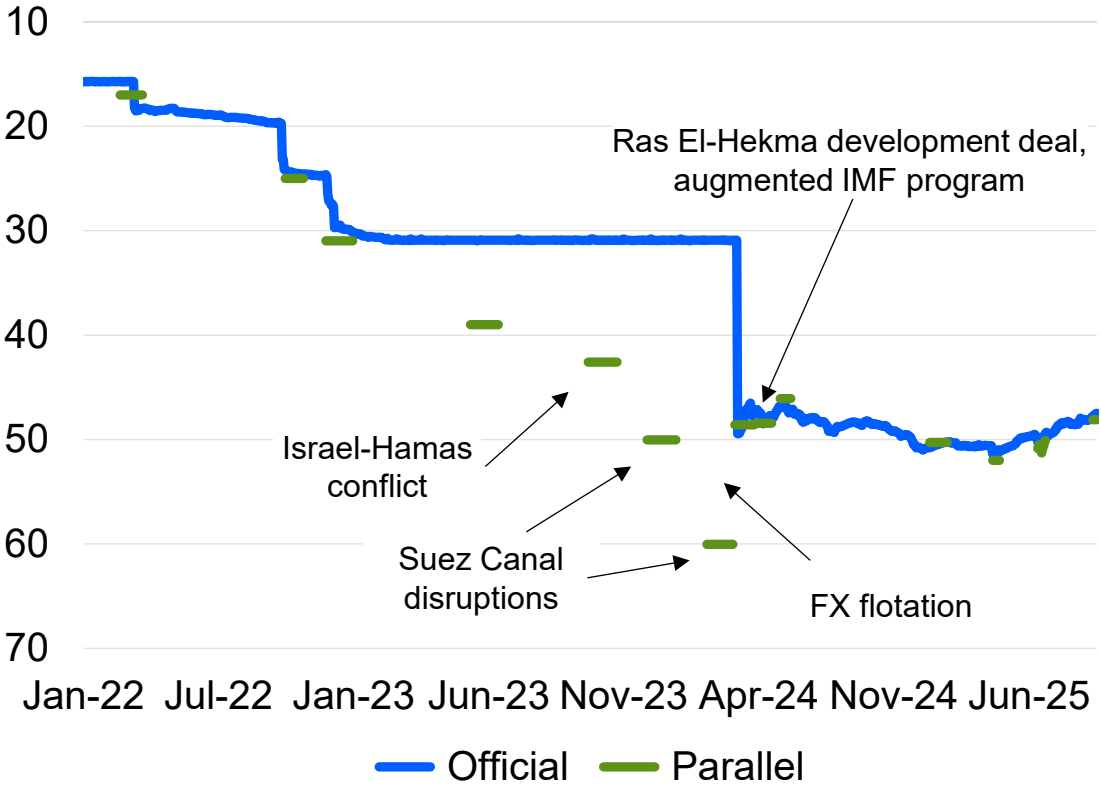
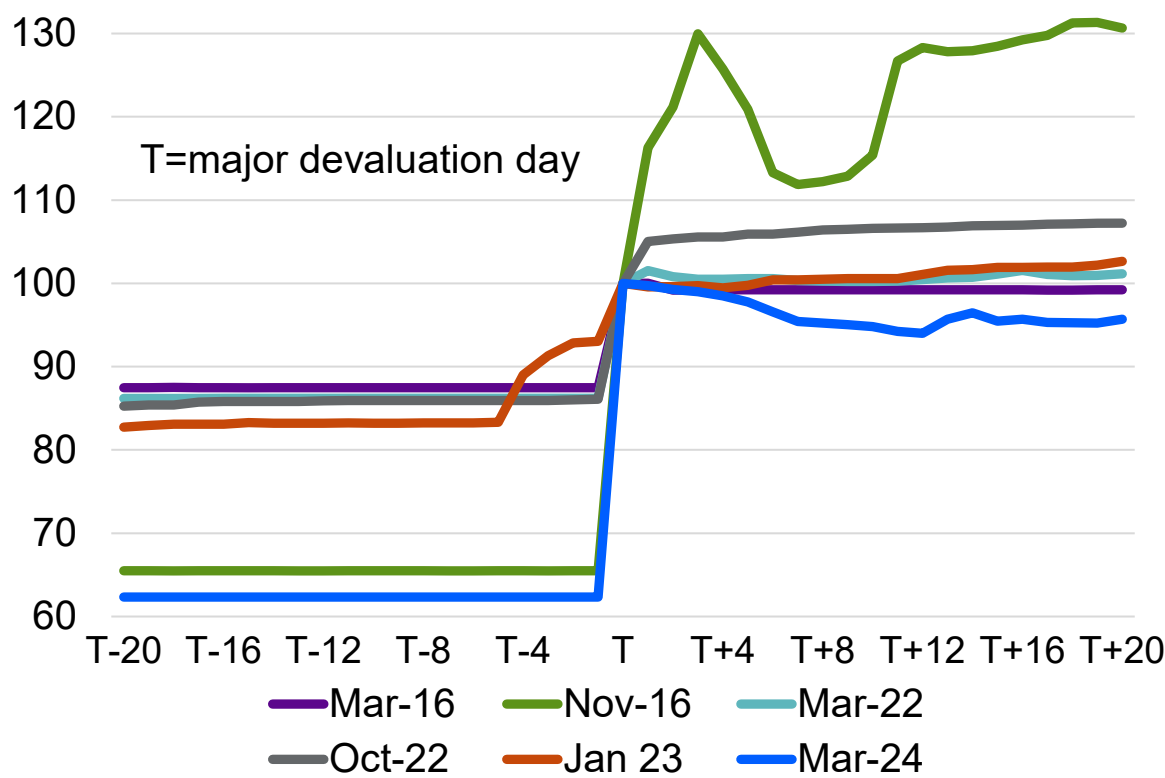
Egypt's inflation, nominal, and real policy rates



Sources: CAPMAS, Central Bank of Egypt, Moody's Analytics

# More Flexible Exchange Rate

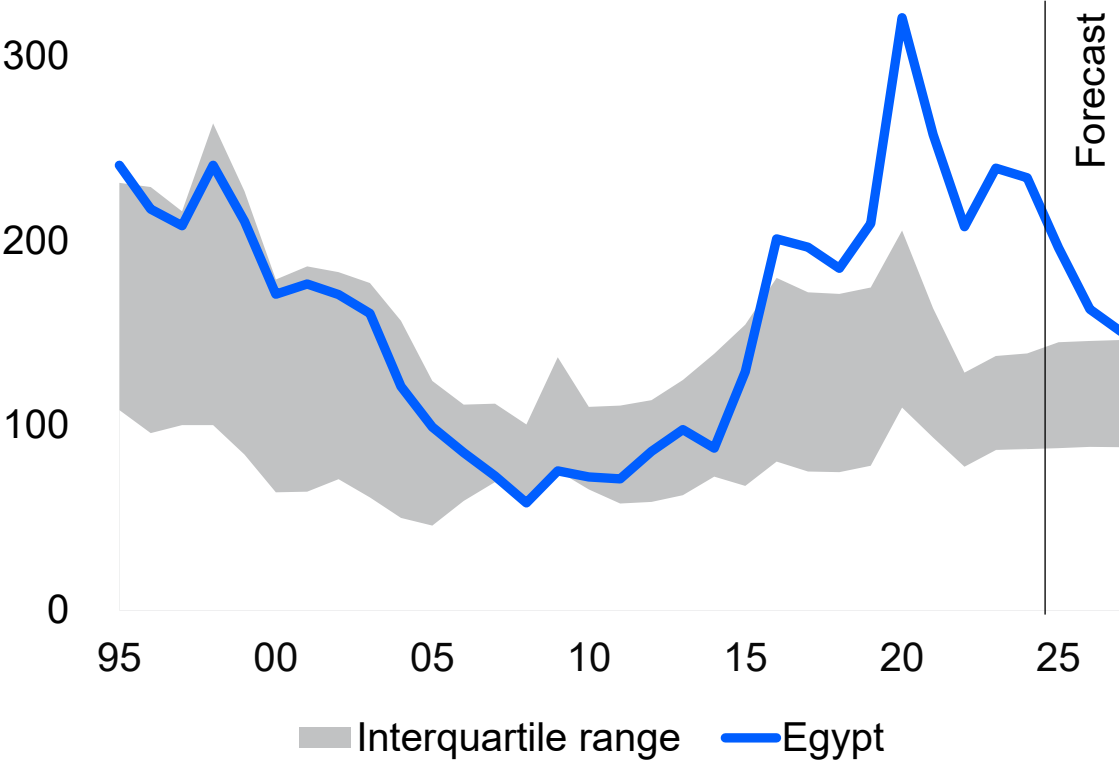
EGP per USD



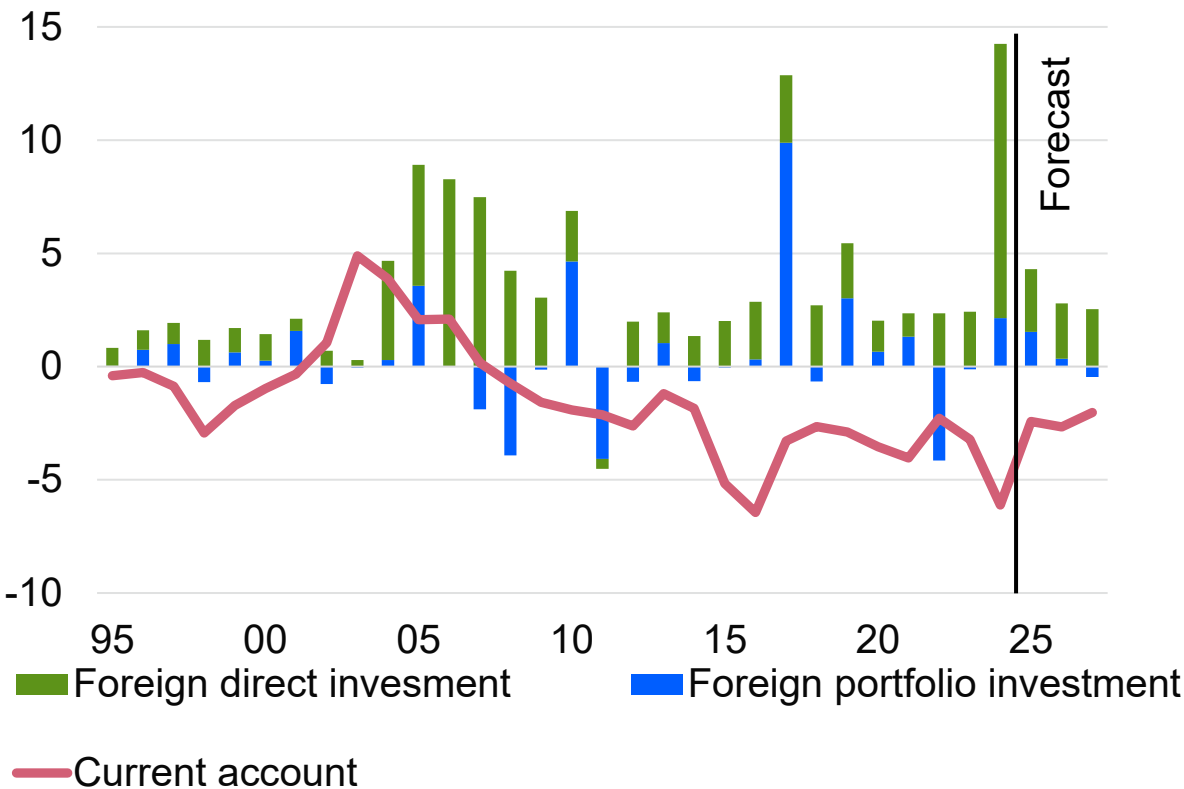
Sources: Central Bank of Egypt, Moody's Analytics

# External Position Remains Fragile

External debt, % of nominal exports



% of nominal GDP



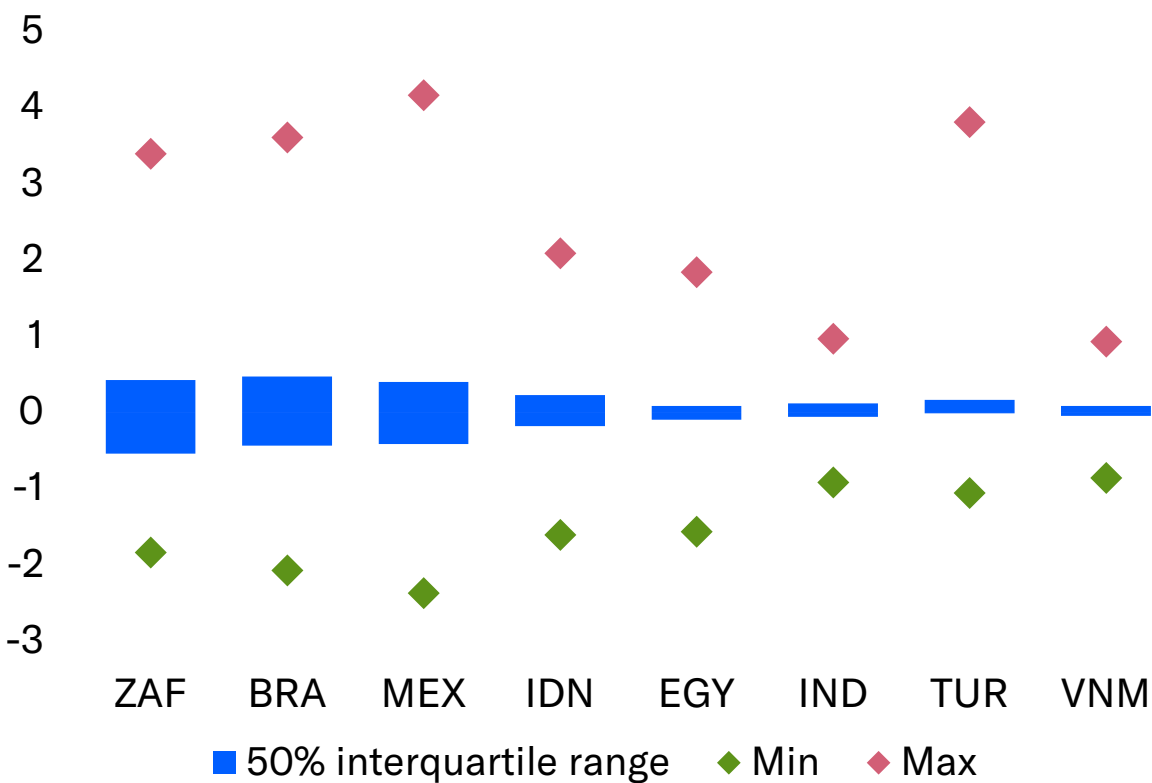
Note: Interquartile range is calculated for emerging markets included in Moody's Analytics Global Macroeconomic Model.

Sources: Central Bank of Egypt, MPED, Moody's Analytics

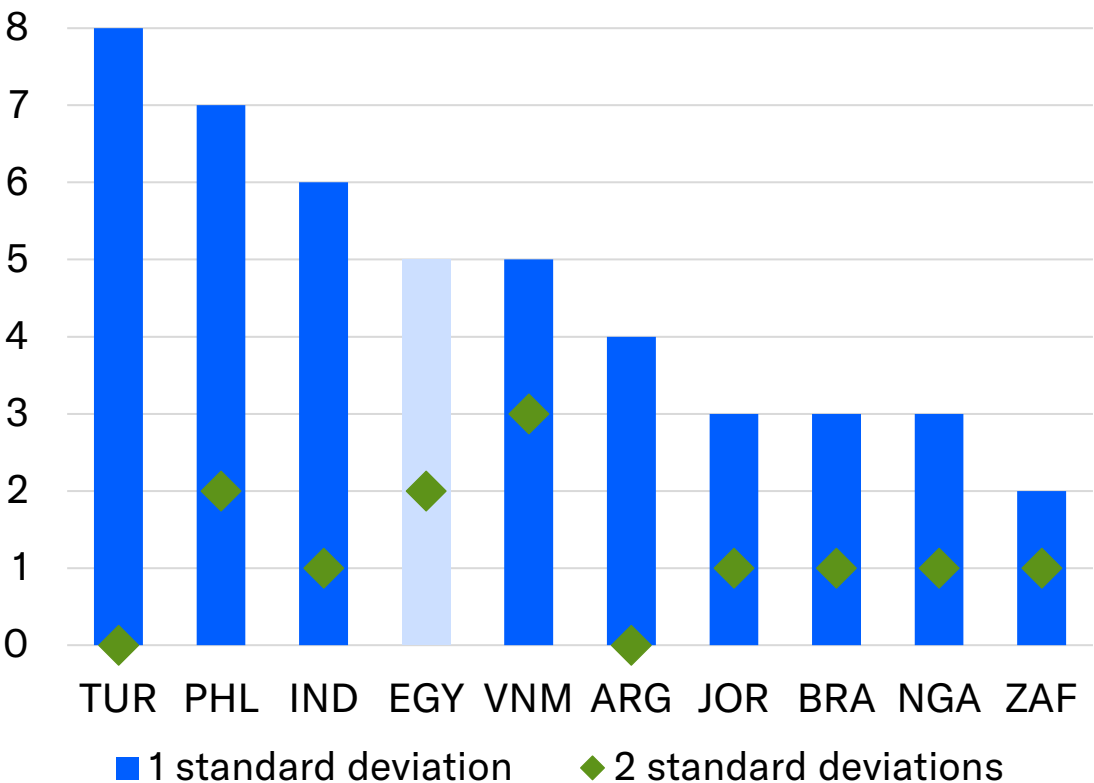


# External and Policy Backsliding Risks Persist

Local currency/\$, % daily change, since Egypt's FX unification



# of times net FPI outflows exceeded a threshold, 2005-2024



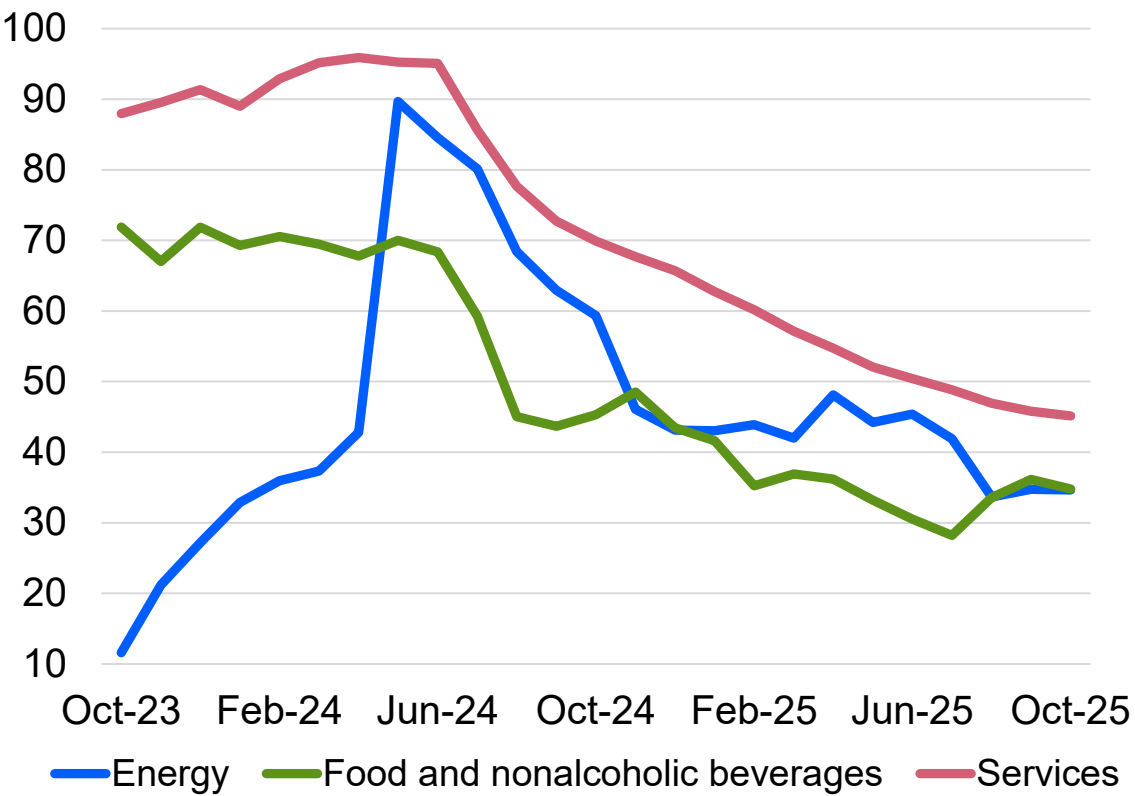
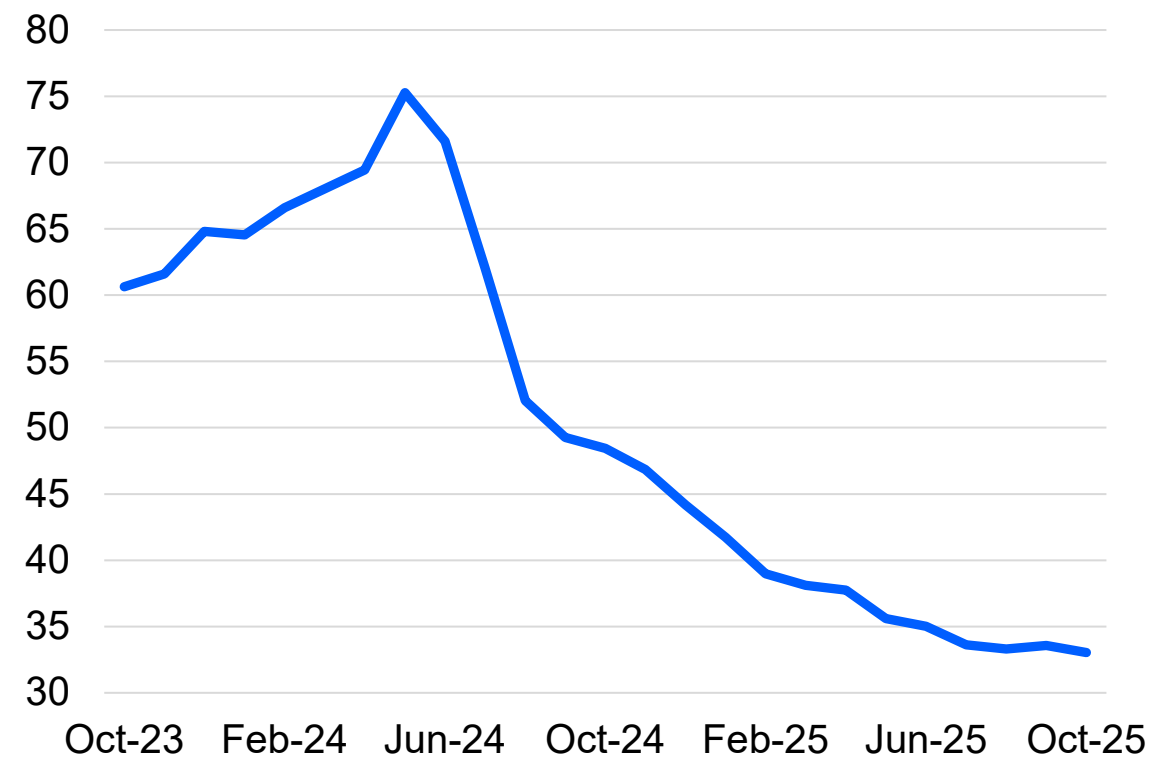
Sources: National statistics offices, Central Bank of Egypt, MPED, Moody's Analytics

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# Türkiye Outlook

# Türkiye's Disinflation Progress Has Stalled in the Second Half of 2025

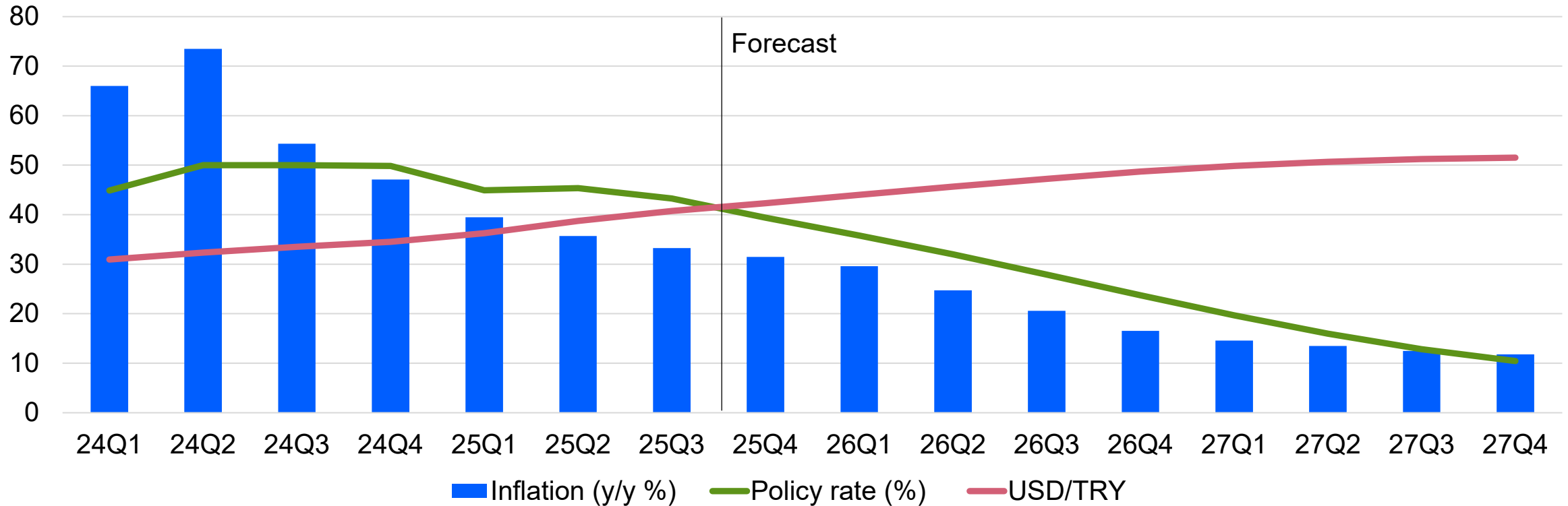
Türkiye inflation, % change yr ago, SA



Sources: TurkStat, Moody's Analytics

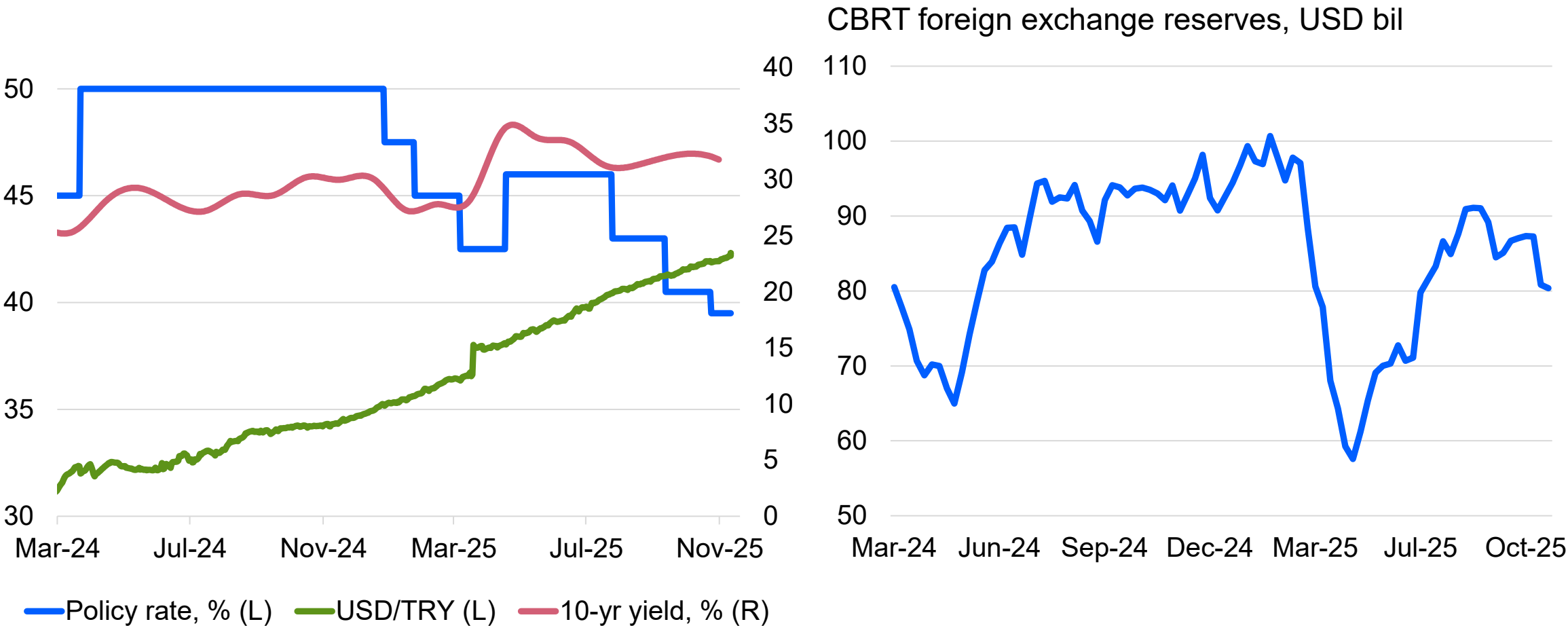
# Disinflation Should Regain Momentum in 2026

Türkiye inflation, monetary policy and FX rate



Sources: TurkStat, CBRT, Moody's Analytics

# The March Political Crisis Appears in the Data



Sources: TurkStat, CBRT, Moody's Analytics

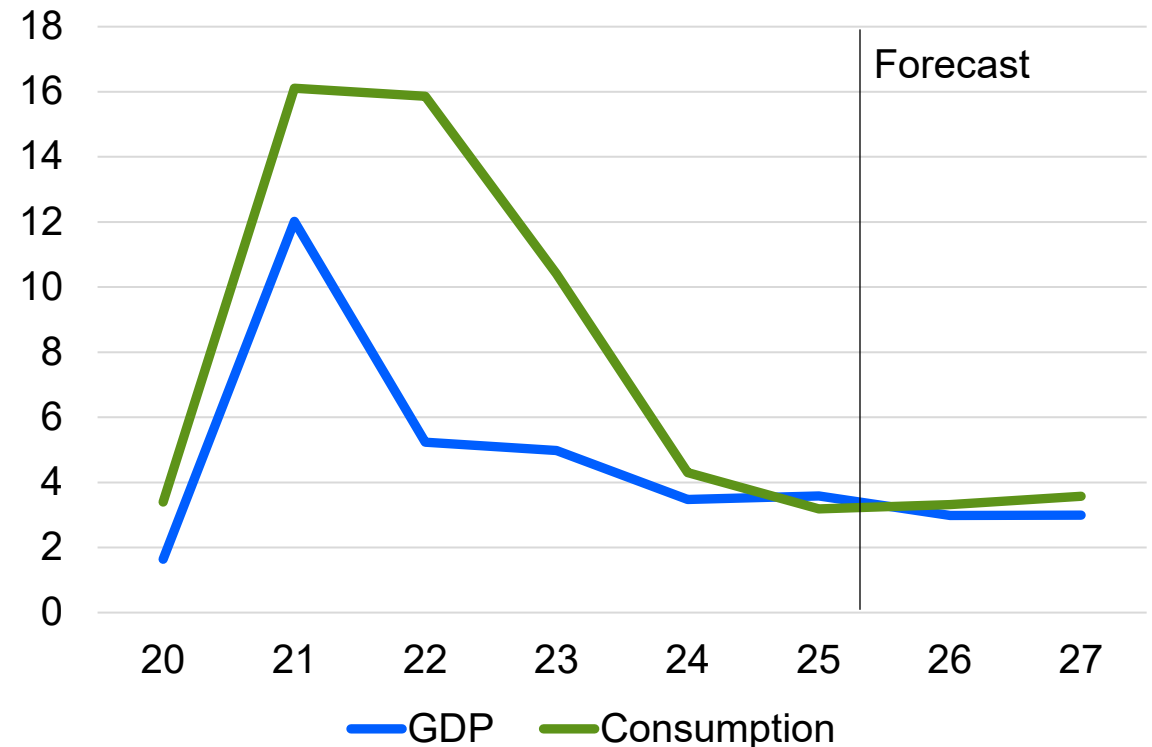


# Türkiye's Outlook Has Plenty of Risks

## Risks facing Türkiye

- Elections are due in 2028 and could be called earlier. -> Reduced fiscal discipline and spotlight on Türkiye.
- Ekrem Imamoglu is still under arrest. -> Political uncertainty is likely to be elevated. How financial markets react is important for the monetary policy path.
- CBRT cuts rates too quickly. -> Inflation expectations are not fully re-anchored.
- Medium-Term Program (2026-2028) is not achieved.
- Global markets undermine Turkish attempts to reduce its dollarization.

Annual real GDP and consumption, % change



Sources: TurkStat, CBRT, Moody's Analytics



Q&A

# MOODY'S

## Thank you.

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