

Greetings from Washington.

In the bustling heart of Washington DC, April unfolded as a whirlwind of global economic engagement. Delegations from across the globe, comprising finance ministers and central bank governors, descended upon the US capital for the annual IMF-World Bank Spring meetings—a cornerstone event in the calendar of Bretton Woods institutions.

Amidst this backdrop, the Atlantic Council had the privilege of hosting a significant occasion: the **Curian Raiser** speech by IMF Managing Director, Kristalina Georgieva. In her address, Georgieva offered an outlook that aimed to reassure, noting that the world had narrowly avoided a global recession and sidestepped the threat of stagflation, which had been a concern for some.

According to the IMF's **world economic outlook**, buoyant economic activity in the United States and many emerging markets has lent a marginally stronger momentum to global growth. Yet, beneath this veneer of optimism, Georgieva highlighted three critical challenges confronting the global economy.

Firstly, escalating geopolitical tensions loom large, heightening the risk of economic fragmentation on a global scale. Secondly, the specter of exceptionally high levels of debt casts a shadow over public finances in numerous countries. Lastly, the stubborn persistence of inflation poses an obstacle to economic stability in various corners of the world.

Adding to these challenges is the enduring impact of the pandemic, with its far-reaching effects still evident in economies worldwide. IMF data underscores the substantial toll taken by the crisis, with a significant loss in global output since its onset, disproportionately affecting the most vulnerable nations.

Nowhere are these challenges more acutely felt than in the Middle East and North Africa (MENA) region. Here, geopolitical tensions reign supreme, exacerbated by the recent escalation of the Israel-Gaza conflict. A joint World Bank/IMF **report** highlights the extensive damage to critical infrastructure in Gaza, underlining the magnitude of the challenges faced by the region, estimating the cost of damage to critical infrastructure in at a staggering \$18.5 billion in Gaza—nearly equivalent to 97% of the combined GDP of the West Bank and Gaza in 2022.

The **ripple effects** of these conflicts extend beyond borders, casting a long shadow over neighboring economies. Egypt and Jordan, in particular, bear the brunt, with attacks on the Red Sea slashing Egypt's returns from the Suez Canal and disrupting Jordan's trade through the Port of Aqaba.

For low-income countries (LICs) like Sudan and Yemen, beset by conflict and economic turmoil, the outlook is challenging. Projections indicate a significant contraction in growth for these nations in the year ahead.

Yet, the impact of these crises is not merely measured in economic terms. It is the confluence of geopolitical strife, mounting debt burdens, and persistent inflation in an already fragile economic landscape that compounds the challenges faced by countries across the MENA region. From Egypt to Sudan, from Lebanon to Tunisia, the strains are felt acutely, amplifying pre-existing macroeconomic imbalances and exacerbating foreign exchange shortages.

Overall, the IMF has **projected** that economic growth in the MENA region will remain subdued, with a moderate improvement to 2.7 percent in 2024, up from 1.9 percent the previous year. However, this actually represents a downgrade of 0.7 percent from the IMF's earlier projections in October. In essence, MENA economies are anticipated to revert to a **pattern of slow growth** similar to the decade preceding the pandemic.

As the global community navigates these turbulent waters, the imperative for coordinated action and steadfast resolve has never been more pressing. It is only through unity and collective effort that we can chart a course towards economic stability and prosperity for the region.

Sincerely,
Racha Helwa
 Director, emPOWERME
 Raik Hany Center for the Middle East
 Atlantic Council

Big Data

Middle East and Central Asia: Real GDP Growth
 (Year-over-year percent change)

	2021	2022	2023	PROJECTIONS
Middle East and Central Asia	4.5	5.3	2.6	2.8
Algeria	4.5	5.4	2.1	2.8
Algeria	3.8	3.6	4.2	3.8
Azerbaijan	5.0	4.6	5.1	4.5
Bahrain	2.6	4.9	2.6	3.6
Iran	4.2	3.8	4.7	3.1
Iraq	3.4	2.0	-2.2	1.4
Jordan	4.1	3.3	5.1	5.8
Kuwait	3.7	6.1	-2.2	-2.4
Lebanon	29.3	-6.9	-35.2	-4.9
Oman	3.1	4.3	1.3	1.2
Qatar	1.6	4.2	1.6	2.0
Saudi Arabia	5.1	7.5	-4.8	2.6
Turkmenistan	-0.3	5.3	2.0	2.3
United Arab Emirates	4.4	7.9	3.4	3.5
Emerging Market and Middle-Income	4.6	5.2	2.1	2.8
Armenia	5.7	12.6	8.7	6.0
Egypt	3.3	6.7	2.6	4.4
Georgia	10.0	11.0	7.5	5.7
Greece	3.2	2.4	2.6	2.8
Malawi	30.0	0.0	0.0	0.0
Morocco	8.0	1.3	3.0	3.3
Pakistan	5.8	6.2	-0.2	2.0
Tanzania	3.4	2.6	0.4	1.9
West Bank and Gaza	7.0	6.1	-6.1	1.8
Yemen	2.8	2.4	-0.2	2.7
Low-Income Economies	14.5	9.2	4.3	6.0
Bhutan	4.5	3.9	4.0	4.0
Kirgiz Republic	5.5	6.3	4.2	4.4
Myanmar	3.7	14.4	5.3	5.5
Somalia	3.3	2.4	2.8	3.7
Sudan	3.3	2.5	-0.3	2.4
Tajikistan	9.4	8.0	8.3	6.5
Uzbekistan	7.4	5.2	6.2	5.6
Yemen	-1.0	1.5	-2.0	-1.5
OECD	5.3	5.2	4.9	4.8
Oil and Gas Exporters	3.3	1.8	1.9	1.8
Oil and Gas Importers	7.7	7.8	6.5	6.4
Emerging Market and Middle-Income	8.7	11.6	6.0	7.5
Low-Income Developing Countries	7.4	6.0	6.1	5.3
MENA	4.3	5.2	1.8	2.7
Oil and Gas Exporters	4.2	5.0	1.9	1.8
Oil and Gas Importers	3.3	4.5	1.8	2.4
Emerging Market and Middle-Income	6.7	8.5	4.6	6.0
Low-Income Developing Countries	0.5	-0.4	-0.6	-1.4
MENA, Afghanistan, Pakistan	4.4	5.3	1.8	2.4

Source: IMF, World Economic Outlook, April 2024. IMF data is preliminary and subject to change. IMF projections are based on the latest available data and assumptions. IMF is not responsible for errors or for any consequences arising from the use of the information contained herein.

IMF

Source

Previous Events

IMF/World Bank Events



During this year's International Monetary Fund (IMF) and World Bank (WB) Spring Meetings, the Atlantic Council's **emPOWERME Initiative**, alongside the **Geoeconomics Center**, hosted a series of events featuring prominent government and climate leaders. The week's conversations provided plentiful insights into the MENA region's economic and climate outlook. Watch all four events below:

A conversation with the Executive Director of the Green Climate Fund.
 Mafalda Duarte

Watch Event

A conversation with the Deputy Governor of the Central Bank of Egypt.
 Rami Aboulnaga

Watch Event

A conversation with the Minister of International Cooperation of Egypt.
 H.E. Rania Al-Mashat

Watch Event

A conversation with the IMF's Director of the Middle East and Central Asia.
 Jihad Azour

Watch Event

Win Fellowship Events

ARAB WOMEN AMBASSADORS SHARING DIPLOMACY, CHALLENGES AND OPPORTUNITIES
 Thursday, April 25, 12:30 p.m. (ET)

On April 25th, emPOWERME's **Win Fellowship** hosted an engaging session featuring narratives from both serving and former ambassadors, offering insights into their unique experiences. The speakers shared the challenges and opportunities that have shaped their perspectives on the political empowerment and leadership of Arab women, delved into the intricacies of diplomacy, and discussed the approaches Arab nations are employing to navigate and address these challenges.

Watch Event

AI REVOLUTION: TRANSFORMING THE GLOBAL BUSINESS LANDSCAPE
 Thursday, April 25, 11:00 p.m. (ET)

On Thursday, April 25th, emPOWERME's **Win Fellowship** hosted an event that delved into the transformative impact of Artificial Intelligence (AI) on global business, showcasing the innovative strategies that AI is bringing to various industries around the world. The event delved into immersive exploration of AI's critical influence in reshaping business paradigms, driving economic growth, and forging strategic advancements.

Watch Event

Event Recap

MENA's economic outlook from the Atlantic Council's IMF/World Bank Week

Event recap written by Charles Johnson and JP Repetto

Read More

Welcome our new Nonresident Fellow: Inwook Kim

Inwook Kim is our new nonresident fellow with the **emPOWERME Initiative**. He is an associate professor in the Department of Political Science and Diplomacy at Sungkyunkwan University, Seoul. He specializes in the history and geopolitics of oil, the politics of alliances, and international security. He holds a PhD in political science from George Washington University where he was a Fulbright scholar, an MSc in politics of the world economy from the London School of Economics, and a BA in philosophy, politics, and economics from the University of Oxford.

Read More

Big Question

Macrotrends of digitalization and the technological transformation are set to drive a mixed outlook for job creation and destruction in the next five years, across job categories and industries. How is the new digital transformation wave going to impact employment in your industry?

Abdullah Al-Fozan
 Chairman & CEO
 MENA in Saudi Arabia

"The present wave of digital transformation impacts employment in the professional services industry in many ways. For starters, it has brought much more digital delivery of services and cloud-based technology as a platform for delivery. Also, client demands have evolved more toward the design and development of technology frameworks and infrastructure, for example on cybersecurity, data management and applications of artificial intelligence – the labor leading to new business and operating models. From a workforce perspective, this brings challenges in sourcing the right talent, while we also need to consider upskilling and reskilling of our current workforce. We will also continue to invest in the digital transformation of our own organization."

"Technology will definitely improve the quality of life and create new jobs. The types of new jobs are different from legacy jobs. There used to be a telex operator, then a fax attendant, then a network administrator, and so forth. Technology will lead to peace in the world, if and only if, people have the courage to do so. The question that should be asked (from my mind) is when do policymakers and business leaders employ technology transformation?"

Mohamed Reda
 Founder, CEO & CTO
 Augix Cybersecurity Systems, Inc.

Mohamad Merheb-Aydin
 General Manager
 CI-Gent Medical

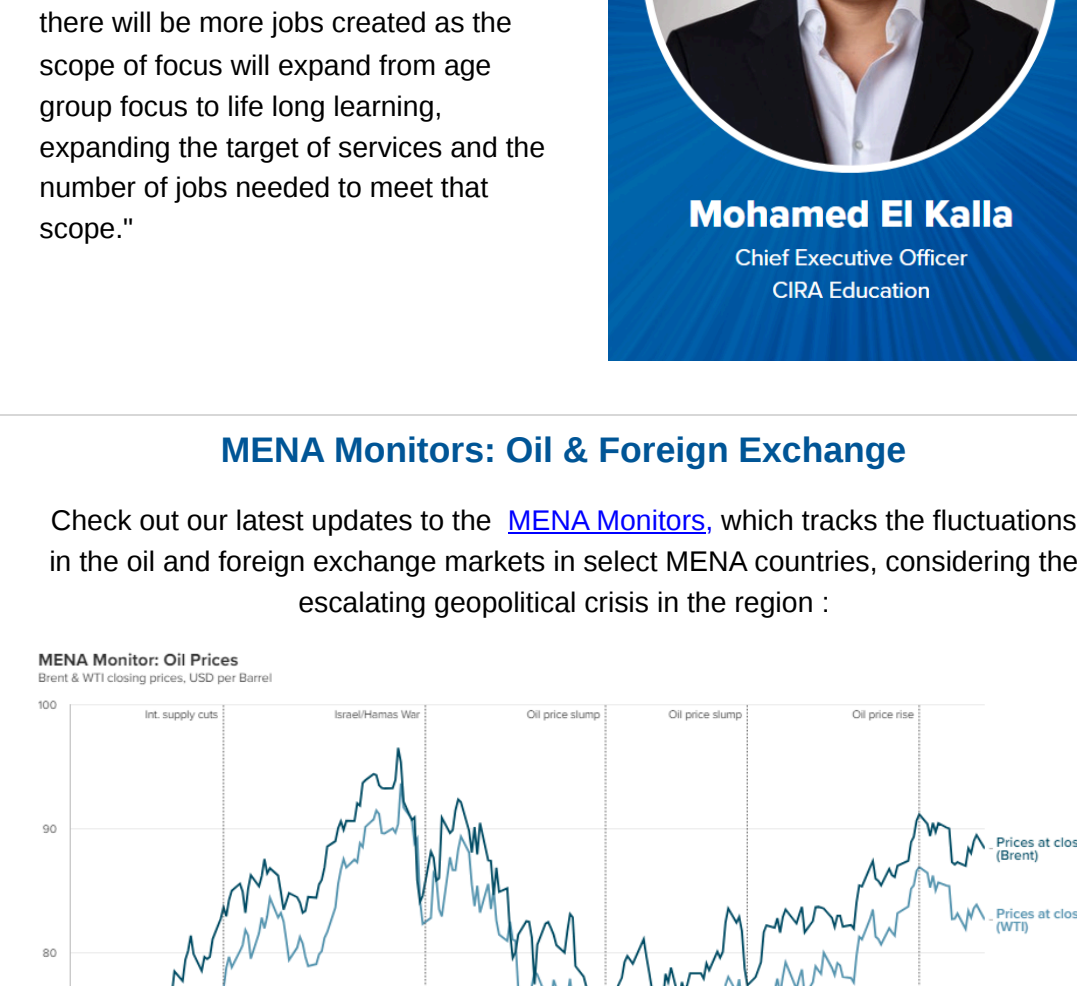
"Digitization has not yet disrupted employment in medical device industry at the trade level and I do not see it happening the next few years, at least, in developing markets. Until hospitals and clinics move to digital procurement, jobs related to local promotion, support, and sales will continue to exist. Digital marketing and remote technical support will probably drive the biggest impact on the short term."

"In our region it's actually quite tricky, because there is currently a clear conflict of interest as the industry has a clear role in leading the journey for digital transformation. At the same time, it is facing a lot of internal pressures against the transformation. In the broader sense, there will be more jobs created as the scope of focus will expand from age group focus to life long learning, expanding the target of services and the number of jobs needed to meet that scope."

Mohamed El Kalla
 Chief Executive Officer
 CMA Education

MENA Monitors: Oil & Foreign Exchange

Check out our latest updates to the **MENA Monitors**, which tracks the fluctuations in the oil and foreign exchange markets in select MENA countries, considering the escalating geopolitical crisis in the region.



View Monitors

The MENA Economic Digest

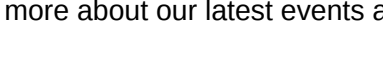
- Regional Economic Outlook for the Middle East and Central Asia, April 2024: An Uneven Recovery and High Uncertainty** (International Monetary Fund)
- MENA Economic Update, April 2024: Uncertainty and Debt in the Middle East and North Africa** (World Bank)
- Lebanon Sees Flood of Cash After Money Supply Soars 400% in One Month** (Bloomberg)

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