



MASTERCARD ECONOMICS INSTITUTE

Economic outlook 2024

Middle East and North Africa



In 2024, consumers and businesses around the globe will make difficult decisions about how to spend and invest, according to the Mastercard Economic Institute's [Economic outlook 2024 report](#).

Resources will be carefully prioritized as interest rates, wages and prices remain high relative to pre-pandemic levels. However, moderating inflation, steady real economic growth and varied regional dynamics will sustain consumer empowerment.

Here's how the dynamics are playing out in the Middle East and North Africa region.

Key takeaways for the Middle East & North Africa in 2024:



The strong non-oil economic growth in the Gulf Cooperation Council (GCC) is set to continue due to expansionary fiscal policy that's driving diversification efforts.



Some countries outside of GCC are tightening policy to reduce macroeconomic imbalances.



Tourism will likely remain the bright spot for the region's economies, though geopolitical tensions present some risks.

Headwinds & tailwinds to watch



2024 headwinds:

- The GCC oil sector will remain constrained by lower oil prices and production.
- Egypt will be forced to address their macroeconomic imbalances as supply of hard currency is still insufficient to support the needs of the economy.
- Turkey has reversed its expansionary policy stance, and higher interest rates are taking the heat from credit growth, which will weigh on consumption and job creation.



2024 tailwinds:

- Diversification efforts supported by expansionary fiscal policy will drive the non-oil economy through higher investment, which will in turn support employment and domestic consumption.
- The GCC is one of the fastest growing tourism destinations in the world, outpacing the global average in terms of travel spend.

Country breakdown



Economic trends to watch in Saudi Arabia

- Saudi Arabia will see a significant investment drive through giga projects — large-scale and ambitious infrastructure and capital project investments.
- 2024 forecast for Saudi Arabia:
 - Real consumer spending is expected to grow **4.3% YOY**
 - Consumer price inflation to increase by **1.7% YOY**
 - Real gross domestic product to increase by **3.5% YOY**
 - Unemployment rate: **5.5%**



Economic trends to watch in the United Arab Emirates

- The United Arab Emirates (UAE) will try to maintain its position as the regional trade and investment hub through further investments and reforms.
- 2024 forecast for the UAE:
 - Real consumer spending is expected to grow **5.0% YOY**
 - Consumer price inflation to increase by **1.9% YOY**
 - Real gross domestic product to increase by **4.0% YOY**
 - Unemployment rate: **2.5%**



Economic trends to watch in Egypt

- Egypt is likely to face high inflation and further increases in interest rates to offset the effect of further currency rate adjustment, which is also likely.
- 2024 forecast for Egypt:
 - Real consumer spending is expected to grow **1.2% YOY**
 - Consumer price inflation to increase by **24.9% YOY**
 - Real gross domestic product to increase by **3.0% YOY**
 - Unemployment rate: **6.8%**



Economic trends to watch in Turkey

- Turkey will continue to address its macroeconomic imbalances by tightening policy, which will slow consumption and job creation.
- 2024 forecast for Turkey:
 - Real consumer spending is expected to grow **1.0% YOY**
 - Consumer price inflation to increase by **53.5% YOY**
 - Central bank interest rate (end of period): **25%**
 - Real gross domestic product to increase by **1.0% YOY**
 - Unemployment rate: **10.5%**

Read the full [Economic outlook 2024 report](#) and learn more about the [Mastercard Economics Institute](#).

