



Press release

## Standard Chartered: GCC To Maintain Economic Resilience Amid Global Uncertainty in 2025

*Lower interest rates are likely to provide additional support, particularly for borrowing-sensitive industries across Saudi Arabia, the UAE, and Qatar*

**16 January 2025, Dubai, United Arab Emirates:** Standard Chartered announced today its Global Market Outlook for 2025. In its report, the Bank highlighted the Gulf Cooperation Council (GCC) is expected to remain a bright spot for global growth in 2025. Despite a projected slowdown in global growth to 3.1% from 3.2%, the GCC is expected to outperform, driven by resilient non-oil sector growth and strategic investments that underpin its economic diversification.

The GCC's focus on long-term transformation continues to shield the region from many global economic challenges. Investment in non-oil sectors and a conducive environment for private-sector growth are expected to sustain momentum in 2025. The report also highlighted that lower interest rates are likely to provide additional support, particularly for borrowing-sensitive industries across Saudi Arabia, the UAE, and Qatar. While broader MENA economies, including Egypt and Lebanon, face heightened pressures from regional conflict, the GCC remains relatively insulated and well-positioned for steady expansion.

Commenting on the report, Ayesha Abbas, Managing Director and Head of Affluent and Wealth Solutions, Europe, Middle East and Africa, and UAE at Standard Chartered, said: "Amid global economic uncertainties, the GCC emerges as a rare bright spot, showcasing its resilience and adaptability. By focusing on economic diversification and leveraging opportunities in non-oil sectors, the region continues to chart a path of sustainable growth."

She added: "The GCC's commitment to transformation has positioned it as a dynamic force in the global economy. With its strategic investments and stable outlook, the GCC is set to play a pivotal role in driving global economic momentum in the year ahead."



Globally, the global economy is bracing for the fallout from the US election. The clean sweep for President-elect Trump and the Republican party gives them a clear mandate to implement their policies, including significant tariffs on key US trading partners, including China. Trump's pro-growth and protectionist policies are likely to be inflationary for the US, with consequences for the rest of the world. On the geopolitical front, Trump has said that he would end the wars in Ukraine and the Middle East, which would have far-reaching consequences globally.

Protectionist trade policies, high interest rates, and geopolitical uncertainties are expected to weigh on growth. The US, buoyed by its strong consumption and services sectors, has defied recessionary predictions despite elevated interest rates. However, a softening labour market and slower wage growth are anticipated to moderate consumer spending in 2025.

By contrast, the euro-area economy continues to struggle. Germany and France, the region's largest economies, risk slipping into recession. Renewed US tariffs on the EU would further weaken the region's already-fragile economy. Exports are a primary growth engine, and the manufacturing sector has already been under pressure in recent years from elevated energy costs, weak demand, and greater competition from abroad. The Russia-Ukraine situation is another source of risk for Europe, as the potential reduction of US support for Ukraine would place a greater burden on the region. Given limited fiscal space, these pressures may force the ECB to move even faster on rate cuts than expected, widening the interest rate differential with the US.

China as well is likely to bear the brunt of US tariff policy. The authorities prepared for the potential fallout by delivering additional stimulus to support the domestic economy in September, aiming to boost growth in late 2024 and early 2025. In a worst-case scenario of 60% US tariffs on all imports from China, the Bank expects further stimulus focused more on consumption than investment. Net exports contributed significantly to China's growth in 2024 but are expected to decline substantially in 2025 and while the PBoC is expected to keep monetary policy loose, expansionary fiscal policy will be the biggest source of support for 2025 growth, with China's economy expected to grow 4.5% next year.



Elsewhere across Asia, the Bank expects growth in ASEAN and India to slow slightly in 2025 versus 2024 because of monetary tightening and the moderating economic outlook for key trade partners – namely the US, the euro area and China. That said, growth in the region should remain healthy.

-ends-

**For further information please contact:**

**Khaled Abdulla, CFA®**

Director, Head of Communications  
Corporate Affairs, Brand & Marketing  
United Arab Emirates  
M: +971 55 655 7553  
T: +971 4 508 3155

**Note to editors**

**Standard Chartered**

We are a leading international banking group, with a presence in 52 of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, here for good.

Standard Chartered PLC is listed on the London and Hong Kong stock exchanges.

For more stories and expert opinions please visit [Insights](#) at [sc.com](#). Follow Standard Chartered on [X](#), [LinkedIn](#), [Instagram](#) and [Facebook](#).