

Greetings from Washington.

Last week, the world gathered once again in Washington, DC, for the annual meetings of the World Bank and IMF. The timing is particularly noteworthy, given the pressing global geopolitical uncertainties and varying expectations surrounding the US elections this week and their implications for the global economy. The recent IMF/World Bank meetings provided a critical platform for examining the current economic landscape. As nations grapple with the complexities of inflation, post-pandemic recovery, and geopolitical tensions, these discussions underscored the urgent need for coordinated action across the globe.

Three main topics took center stage during the meetings. The first significant focus of the meetings was the global economic outlook. The IMF [projects](#) growth to be approximately 3.1 percent for 2024, a modest increase from 2.6 percent in 2023. However, this projected growth remains uneven, with advanced economies expected to grow at just 1.5 percent, while emerging markets and developing economies (EMDEs) are forecasted to expand by about 4.5 percent. Inflation continues to pose formidable challenges, particularly in advanced economies, where rates averaged [4.0 percent](#) in the third quarter of 2024. These discussions emphasized the necessity of maintaining stable monetary policies while addressing risks associated with high interest rates and ongoing supply chain disruptions.

The second key topic of the discussions was debt sustainability, which emerged as a critical concern during the meetings, especially for low-income countries. The World Bank reported that as of 2024, around [\\$2.6 trillion](#) of low-income countries are either in debt distress or at high risk of falling into it, with total external debt reaching approximately \$220 billion. This highlights a pressing need for effective debt management frameworks. The meetings also reiterated the importance of the [G20 Common Framework for Debt Treatments](#), emphasizing the necessity for timely debt restructuring to alleviate burdens on the most vulnerable nations. The commitment to transparency and dialogue among creditors was deemed essential for crafting equitable solutions.

Climate financing was another pivotal theme, particularly as we approach COP29. The meetings reaffirmed that by 2030, annual climate financing needs could exceed [\\$3.1 trillion](#), driven by escalating climate-related disasters. The discussions emphasized the critical role of innovative financing mechanisms, such as green bonds and climate risk insurance, to enhance resilience against climate impacts.

On the Middle East and North Africa (MENA), the discussions were more somber. Escalating geopolitical tensions prompted both the World Bank and the IMF to downgrade the economic outlook for the region. The IMF [projected](#) its growth forecast for MENA to just 2.5 percent for 2024, down from previous estimates of 3.0 percent, reflecting the adverse effects of ongoing conflicts and regional instability. Notably, the unrest has led to a projected reduction of \$50 billion in foreign direct investment (FDI) into the region compared to 2023 levels.

Additionally, inflation in MENA is expected to average 6.5 percent in 2024, driven largely by rising food and energy prices that disproportionately affect lower-income households. The World Bank has highlighted persistently high unemployment rates in the region, particularly among youth, with figures reaching 25 percent in some countries. The ongoing regional instability has contributed to a 10 percent increase in poverty rates, pushing millions into extreme poverty, a crisis intensified by forced displacement in areas of conflict, including Gaza and Lebanon. As [noted](#) by IMF Director of the Middle East and Central Asia Department Jihad Azour, the escalating geopolitical crisis will have lasting scars on MENA economies.

In conclusion, the outcomes of the recent IMF and World Bank meetings underscore the interconnectedness of global economic challenges and the urgent need for collaborative solutions to restore peace. This includes an immediate emphasis on achieving a cease-fire in the Middle East, which is crucial for stabilizing the region and addressing not only economic concerns but also the pressing social challenges, such as rising poverty, unemployment, and displacement that arise from prolonged conflict.

Sincerely,  
**Racha Helwa**  
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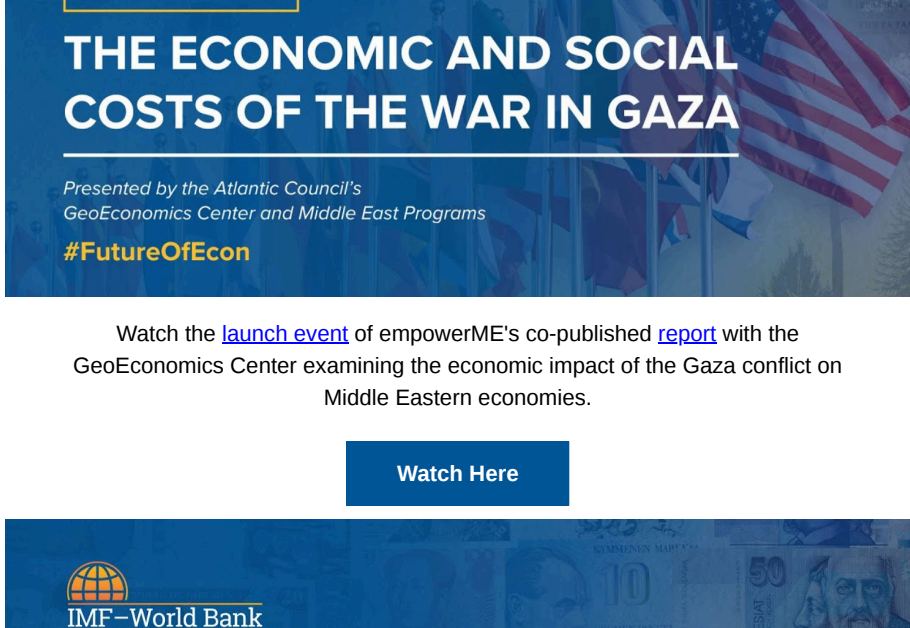
New Report



A year after the outbreak of the war in Gaza, which later expanded into Lebanon, the two countries in conflict, the Middle East region, and the global economy have been significantly affected. This [report](#) reviews and analyzes the economic impact of the Gaza war on the countries at the epicenter, including Israel, the West Bank and Gaza, Egypt, Jordan, and Lebanon, as well as the wider region, including the Maghreb countries and the GCC, and the global economy. It tracks the impact on overall economic growth, key sectors, and other implications such as financial volatility, disinvestment, fiscal burdens, and pressure on the oil market. While the report provides comprehensive coverage of these elements, it is worth noting that the war is expanding to involve additional players, and its impact will likely continue to grow.

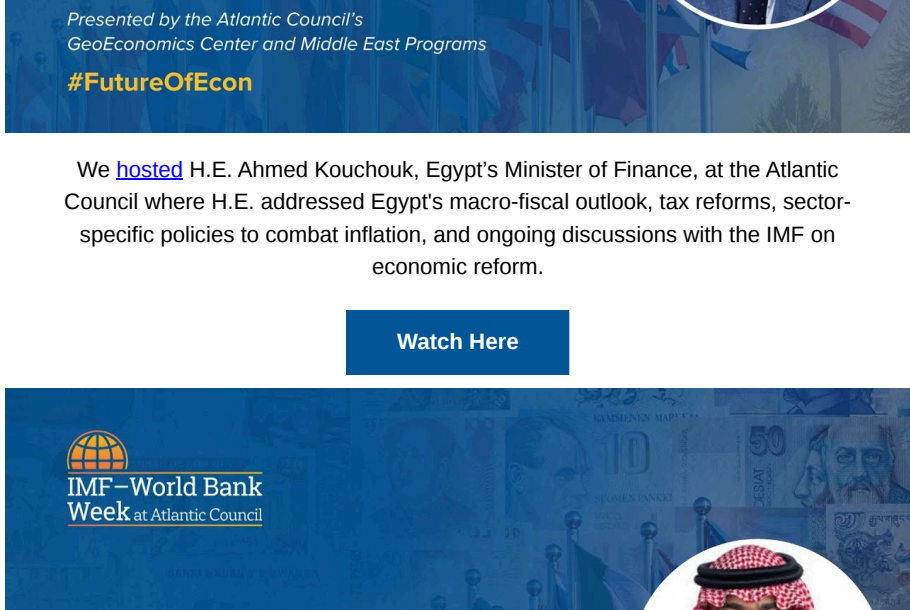
Read Full Report

empowerME at the IMF/World Bank Meetings



Watch the [launch event](#) of empowerME's co-published [report](#) with the GeoEconomics Center examining the economic impact of the Gaza conflict on Middle Eastern economies.

Watch Here



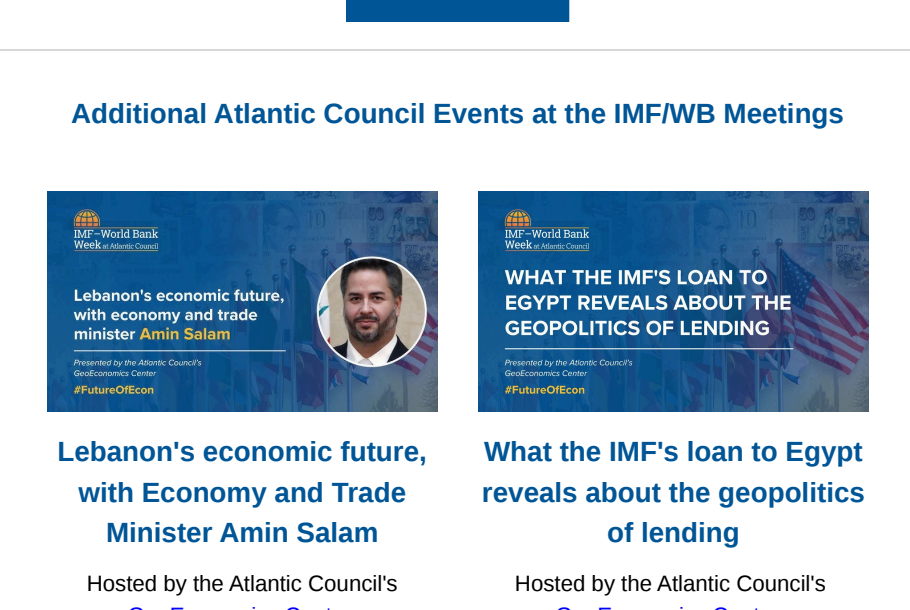
We [hosted](#) H.E. Ahmed Kouchouk, Egypt's Minister of Finance, at the Atlantic Council where H.E. addressed Egypt's macro-fiscal outlook, tax reforms, sector-specific policies to combat inflation, and ongoing discussions with the IMF on economic reform.

Watch Here



We [hosted](#) the Minister of Economy and Planning of Saudi Arabia, H.E. Faisal F. Alibrahim, who outlined the economic vision for the Kingdom for 2025 and beyond.

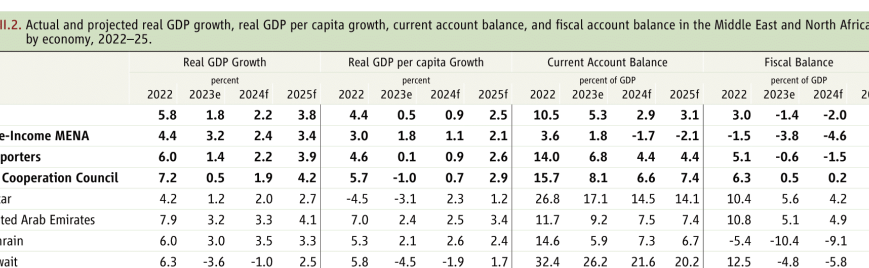
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We [hosted](#) H.E. Minister Hassan El Khatib who outlined Egypt's plan to attract investment and boost trade.

Watch Here

Additional Atlantic Council Events at the IMF/WB Meetings



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Hosted by the Atlantic Council's [GeoEconomics Center](#).

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Big Data



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, Middle East and Central Asia, navigating the evolving geoeconomic landscape](#) (IMF)
- [MENA Economic Update, October 2024, Growth in the Middle East and North Africa](#) (The World Bank)
- [Commodity Markets Outlook, October 2024](#) (The World Bank)
- [Global Economic Prospects, June 2024](#) (The World Bank)

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