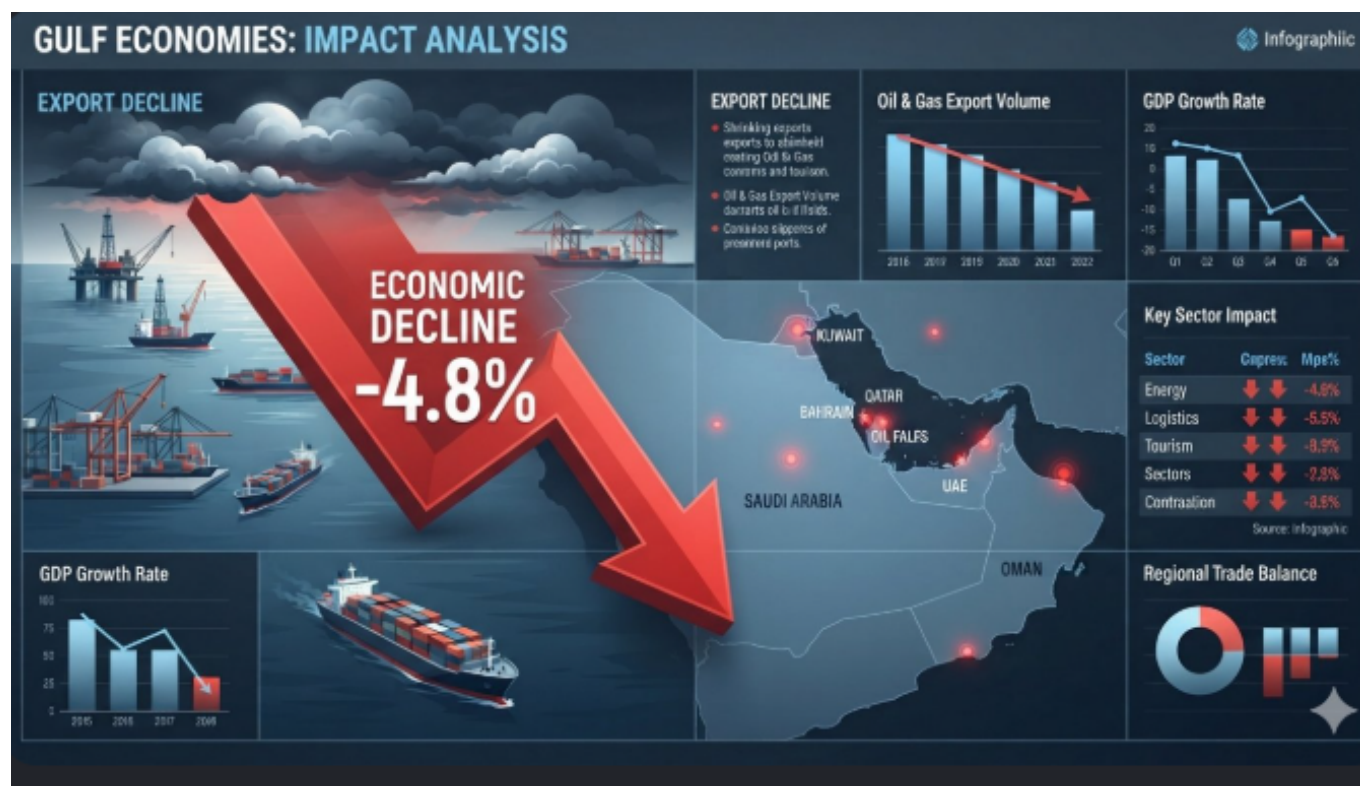


MARKET SIGNALS | FUTURE OUTLOOK

IMF: Gulf economies to shrink 4.8% this year as war hits exports

The IMF now expects the six GCC economies to contract sharply in 2026, a reversal from the growth it forecast in April. A rebound in 2027 depends on shipping returning to normal.

By **Manasee Kurlekar** | October 22, 2026



The war is now hitting the Gulf's own economies, not just oil prices.

The IMF expects the six GCC economies to shrink 4.8% this year. In April it was forecasting 2% growth, so that's a 6.8-point downgrade.

The damage goes beyond oil: the non-oil economy is also set to contract, by 0.8%.

Between February and May, oil and gas output among the hardest-hit Gulf producers fell from 33 million barrels a day to about 19 million, and Qatar's output dropped as much as 86%.

There's some recovery, with Gulf crude shipments back above 75% of pre-war levels in September. The IMF sees a 9.1% rebound in 2027, *but only if shipping returns to normal*.

Read online: <https://worldbusinesswatch.com/market-signals/11/301/imf-gulf-economies-to-shrink-4-8-this-year-as-war-hits-exports.html>

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