

September 25, 2025

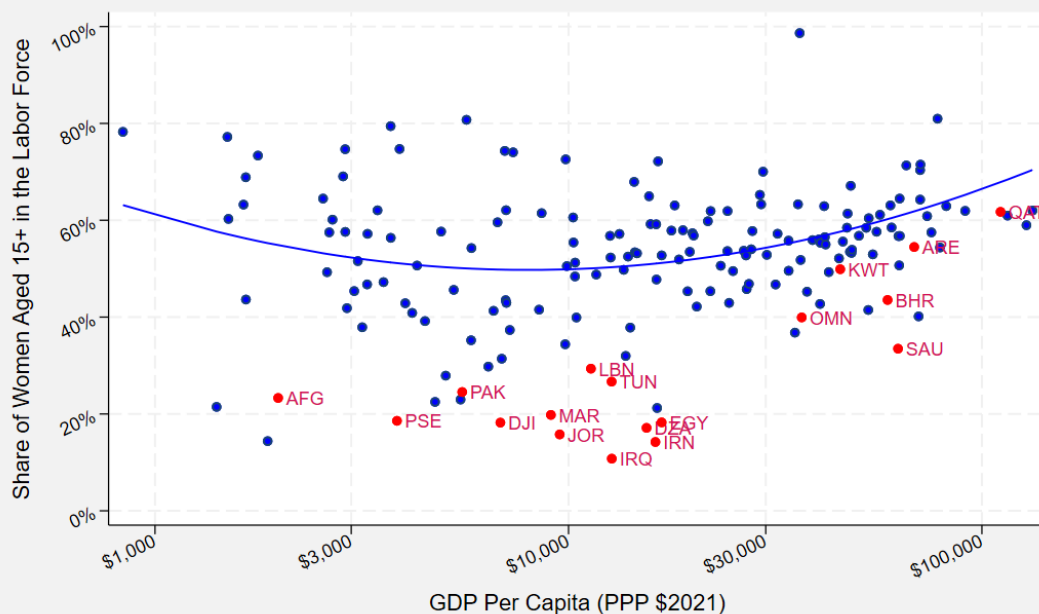
ANNOUNCEMENT

On October 7, 2025, the MENA Chief Economist's Office will launch the latest installment of its semi-annual MENA Economic Update series, **Jobs and women: Untapped talent, unrealized growth**. The special topic of this edition analyzes the complex difficulties preventing women in MENAAP from greater participation in the labor market. Addressing the barriers faced by women requires a comprehensive policy approach that goes beyond tackling employer discrimination, to include strategies that shift social norms and position the private sector as a key driver of job creation. Implementing crucial reforms is essential to unlocking women's economic potential and achieving significant gains in GDP per capita.

SPOTLIGHT

Female Labor Force Participation. The share of women aged 15 and older that actively participate in the labor force ranges from 11 percent in Iraq to about 25 percent in Pakistan and Tunisia, and 34 percent in Libya. Even in high-income GCC countries, female labor force participation (FLFP) remains lower than in peer economies, even though migrants make up the overwhelming majority of the population, and most migrant women must work for their visas to remain valid. Rates in the region are, on average, 25 percentage points lower than those in income peers. Statistically, this gap is not explained by differences in levels of education, the structure of the economy, or fertility between MENAAP countries and their income peers.

Developing economies in the region (excluding the GCC) have the lowest rates of female labor force participation in the world



Source: International Labour Organization (ILOSTAT) and the World Bank's World Development Indicators.

Note: Labor force participation rates for people 15 and older are from national estimates compiled by the International Labour Organization (ILOSTAT). GDP per capita (PPP, constant 2021 international dollars) is from the World Bank's World Development Indicators. The sample includes 176 countries, including 18 from the MENAAP region. Labor force participation rates and GDP per capita are matched using the latest available year for each country after 2013. The most recent data points for MENAAP countries are as follows: AFG – 2021, ARE – 2023, BHR – 2015, DJI – 2017, DZA – 2017, EGY – 2023, IRN – 2023, IRQ – 2021, JOR – 2023, KWT – 2016, LBN – 2019, MAR – 2022, OMN – 2022, PAK – 2021, PSE – 2022, QAT – 2022, SAU – 2024, and TUN – 2023. GDP per capita is shown in log scale. The blue fitted line shows the predicted quadratic relationship between labor force participation and log GDP per capita for the sample.

MACRO NEWS AND DATA TABLE

Egypt	Gas production fell by 13.4% year-on-year (y/y) in July, following another drop of 16.5% y/y in the preceding month, according to data released by the Joint Organizations Data Initiative. Gas output has been trending downwards since early 2021 due to production setbacks in the country's Zohr gas field, high depletion rates at the fields, and weak investment plans.
Kuwait	Kuwait produced 2.5 million barrels per day (mbpd) in August, a slight increase from July, according to OPEC. The oil minister of Kuwait announced the country has increased its production capacity to 3.2mbpd, the highest level in over a decade, close to the previous capacity peak of 3.3mbpd in 2010.
Saudi Arabia	Crude oil production, excluding condensate production, rose by 2.1% month-on-month (m/m) to 9.72 million barrels per day in August following a 1.8% m/m increase in July, according to OPEC. This is the highest production level in two years and reflects the OPEC+ decision to accelerate the rollback of production cuts.
UAE	The UAE produced 3.2 million barrels per day (mbpd) in August, an increase from 3.1mbpd in July, according to OPEC.

Sources: National authorities, EmergingMarketWatch, Haver Analytics, EIU, Bloomberg, World Bank, IMF.

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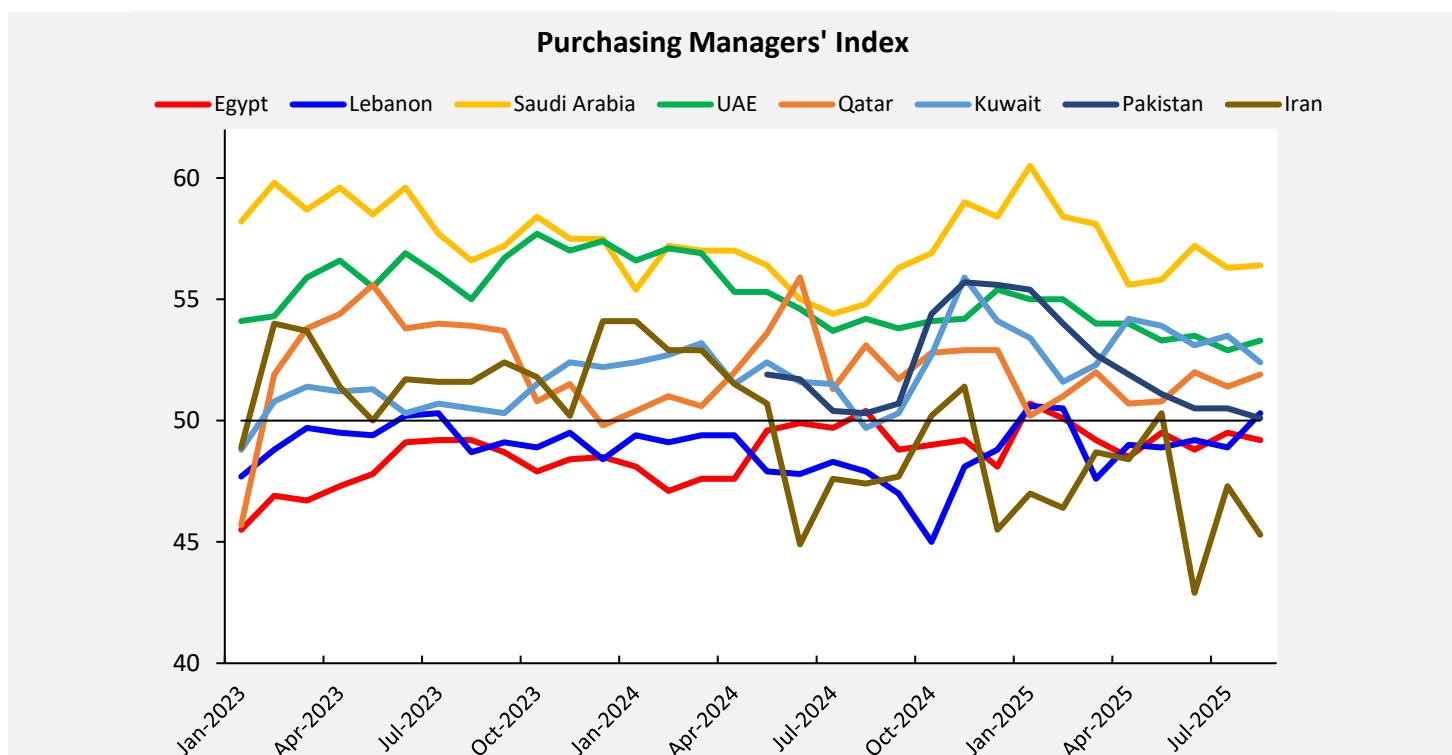
Consensus forecasts for real GDP growth in 2025 remained stable across MENA, ranging from 0.2 percentage points (pps) upward revisions in the cases of Saudi Arabia and Tunisia to 0.2 pps downward revisions in the case of Iran.

Country	2025				2026			
	September Forecast	1m Forecast Change	3m Forecast Change	12m Forecast Change	September Forecast	1m Forecast Change	3m Forecast Change	12m Forecast Change
MENAAP	3.2	0.0	0.1	-0.5	3.6	0.0	0.0	-0.2
GCC	3.7	0.1	0.2	-0.3	4.1	0.0	0.1	0.1
Bahrain	2.9	0.0	0.1	0.2	2.7	0.0	0.1	0.0
Kuwait	2.7	0.1	0.3	-0.2	2.9	0.0	0.0	-0.2
Oman	2.6	0.0	0.1	-0.1	3.0	0.0	0.1	0.4
Qatar	2.6	0.0	0.1	-0.1	5.1	0.0	-0.2	-0.6
KSA	4.0	0.2	0.4	-0.5	4.1	0.0	0.2	0.1
UAE	4.3	0.0	0.0	-0.1	4.5	0.0	0.0	0.4
DOE	1.9	-0.1	-0.3	-1.1	2.2	0.0	-0.3	-0.7

Algeria	3.2	0.1	0.3	0.4	2.8	0.0	0.1	0.1
Iran	0.3	-0.2	-1.0	-2.3	1.2	0.0	-0.6	-1.3
Iraq	1.7	0.0	0.0	-2.3	2.6	0.0	-0.2	-1.2
Libya	13.9	0.0	2.5	7.8	7.2	0.0	0.4	2.9
DOI	3.5	0.0	0.0	-0.1	4.0	0.0	0.0	-0.1
Egypt	4.3	0.0	0.0	0.0	4.7	0.0	-0.1	0.0
Jordan	2.3	0.0	0.0	-0.2	2.6	0.0	0.0	0.0
Lebanon	1.8	0.0	0.5	-0.1	4.1	0.1	0.8	0.7
Morocco	3.8	0.0	0.0	0.1	3.8	0.0	0.1	0.3
Pakistan	3.0	0.0	0.0	-0.4	3.6	0.0	0.0	-0.5
Tunisia	2.0	0.2	0.2	0.0	2.0	0.1	0.1	0.0
LI & Small	0.4	0.0	0.6	-2.5	1.6	0.0	0.4	-2.0
Afghanistan	2.2	0.0	0.1	0.0	2.2	0.0	0.0	-0.1
Djibouti	4.0	0.0	0.0	-1.8	3.9	0.0	0.0	-1.3
Syria	0.4	0.1	3.2	-3.9	3.2	0.2	2.0	-1.2
Yemen	-0.8	0.0	-0.3	-3.1	0.3	0.0	-0.1	-3.4

Source: Consensus Focus Economics GDP Growth Forecasts, September 2025, August 2025, June 2025, September 2024; and MAPCE Staff Calculations. Note: Forecasts Change refers to the direct difference between forecasts made in July 2025 and the reference months. Egypt, Afghanistan and Pakistan's 2025 forecast is a calendar year transformation: the average of the FY2025 and FY2026 forecasts. Egypt, Afghanistan and Pakistan's 2026 forecast is a calendar year transformation: the average of the FY2026 and FY2027 forecasts. For reference, FY2025 starts in July 2024 and ends in June 2025. MENA and other category averages are weighted growth rates using previous year GDP levels as the weights.

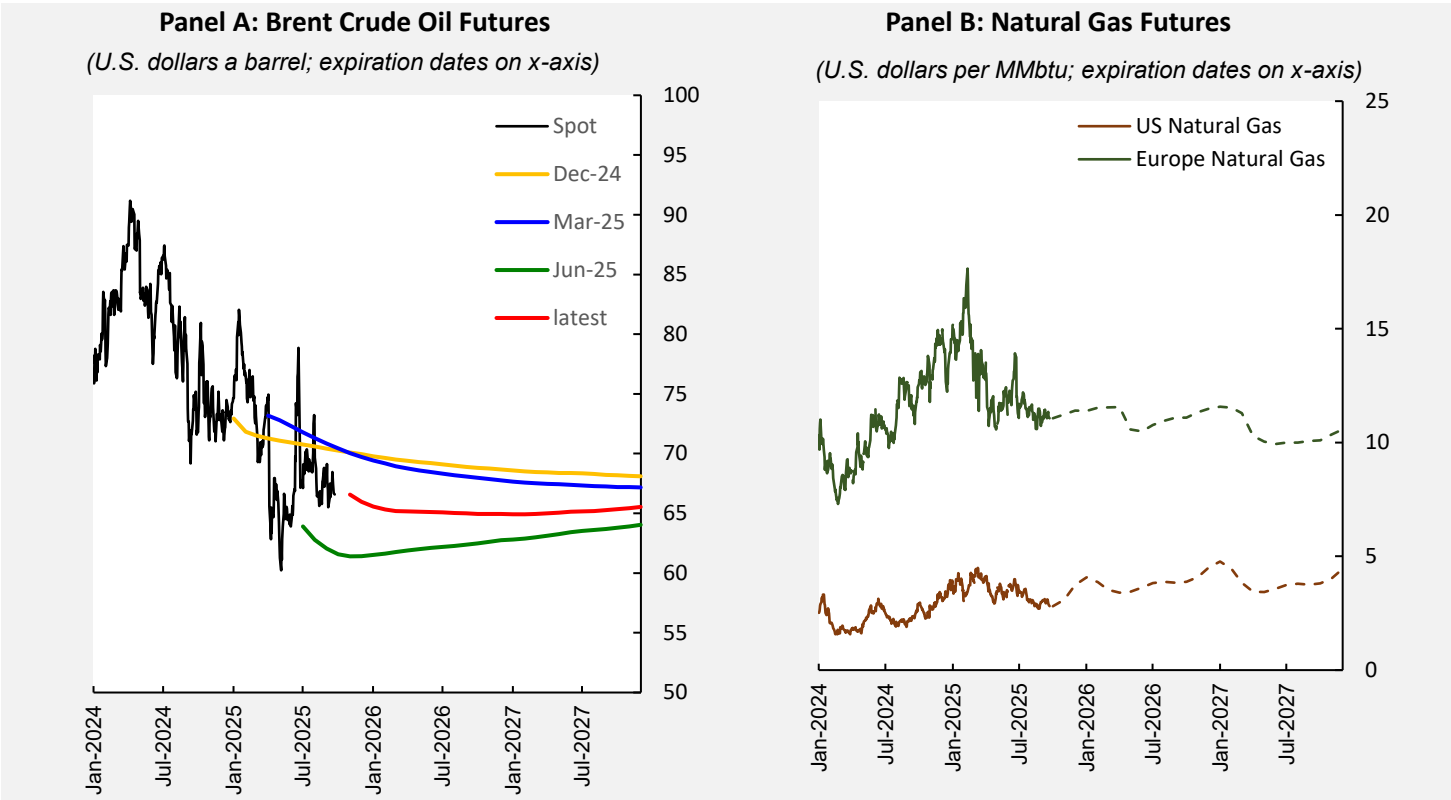
The Purchasing Managers Index (PMI) saw several significant shifts in August, most notable is the case of Lebanon which surpassed the 50.0 neutral threshold for the first time since February 2025.



Source: Bloomberg, L.P and Iran Chamber of Commerce, Industries, Mines and Agriculture.

Note: S&P PMI for Non-Oil Private Sector, seasonally adjusted, retrieved through Bloomberg and Trading Economics. Last observations are from August 2025. S&P Introduced the PMI for Pakistan in May 2024. The Iran Overall Economy PMI, seasonally adjusted, is produced and published by the Iran Chamber of Commerce, Industries, Mines and Agriculture. Iranian months ends on the 20th (ie data for August 2025 captures sentiment from July 21 to August 20, 2025).

Oil prices are up 0.8% since the last update, at USD 66.57 per barrel on September 22, 2025, with end-2027 futures trading at USD 65.5 per barrel. US natural gas prices are down 9.2%, at USD 2.8 per MMBtu, while European prices are down 3.1% at USD 11.1 per MMBtu.



Source: Bloomberg, L.P. and MAPCE Staff Calculations

Note: In Panel A, the black lines indicate the spot price of Generic Brent Crude Oil and the colored lines illustrate the futures prices on, respectively, December 1, 2024, March 1, 2025, June 1, 2025, and the latest (September 22, 2025). Latest observation is December 2027. In Panel B, the solid lines indicate the spot price of Generic US Natural Gas and European Natural Gas (Title Transfer Facility). The dotted lines illustrate the latest (September 22, 2025) futures prices for each commodity.

Little net change in currencies over the last month.

Country	Latest Close	1M % Change	3M % Change	6M % Change	1Y % Change
Afghanistan	67.6	0.7%	4.2%	4.4%	2.1%
Algeria	128.9	0.3%	0.9%	3.7%	2.5%
Bahrain	0.4	0.0%	0.1%	0.0%	-0.1%
Djibouti	177.9	-0.2%	-0.1%	-0.2%	-0.1%
Egypt*	48.2	0.5%	5.1%	4.9%	0.6%
Iran*	42,000.0	0.0%	0.0%	0.0%	0.0%
Iraq*	1,310.0	0.0%	0.0%	0.0%	0.0%
Jordan	0.7	0.0%	0.0%	0.0%	-0.1%
Kuwait	0.3	0.2%	0.3%	0.9%	0.0%
Lebanon*	89,552.2	0.1%	0.1%	0.0%	0.0%
Libya*	5.4	0.4%	0.8%	-10.8%	-12.0%
Morocco	9.0	-0.2%	1.3%	6.8%	7.4%

Oman	0.4	0.0%	0.0%	0.0%	0.0%
Pakistan	281.6	0.3%	0.7%	-0.5%	-1.2%
Qatar	3.6	0.0%	0.0%	0.0%	0.0%
Saudi Arabia	3.8	0.0%	0.0%	0.0%	0.0%
Syria*	11,055.0	0.0%	0.0%	18.2%	23.6%
Tunisia	2.9	-0.4%	0.4%	6.9%	4.8%
United Arab Emirates	3.7	0.0%	0.0%	0.0%	0.0%
West Bank and Gaza	3.3	0.7%	4.1%	10.8%	12.8%
Yemen*	239.4	0.3%	1.4%	2.8%	4.5%

Source: Bloomberg L.P., and MAPCE Staff Calculations.

Note: Official exchange rates vis-à-vis the USD expressed in local currency as of September 22, 2025. Countries with multiple exchange rates are highlighted with an asterisk. 1M, 3M, 6M and 1Y change refer to the appreciation or depreciation of the currency against the US Dollar: a positive value indicates an appreciation of the local currency, and a negative value indicates a depreciation. For West Bank and Gaza, the new Israeli shekel is used as the local currency.

Y/y headline and food inflation in the West Bank and Gaza decreased significantly in August 2025, falling to 35.5% and 112.1% respectively. Djibouti, Qatar and Saudi Arabia saw slight increases in y/y/ headline inflation, while Egypt, Jordan and Oman experienced some easing in August 2025.

Country	Date of Latest Inflation Data	Headline Inflation		Food Inflation	
		M/M Inflation	Y/Y Inflation	M/M Inflation	Y/Y Inflation
Algeria	July-25	0.8%	-0.3%	0.6%	-5.1%
Bahrain	July-25	-0.6%	-0.9%	-2.5%	-6.2%
Djibouti	August-25	1.5%	1.0%	1.8%	-0.3%
Egypt	August-25	0.5%	11.3%	1.0%	1.3%
Iran	August-25	3.1%	42.4%	4.2%	51.4%
Iraq	July-25	-0.1%	-1.2%	-1.0%	-2.2%
Jordan	August-25	-0.2%	1.3%	-0.8%	-0.3%
Kuwait	July-25	0.3%	2.4%	0.9%	5.6%
Lebanon	July-25	1.3%	14.3%	2.3%	21.9%
Morocco	July-25	0.2%	0.5%	-0.1%	0.9%
Oman	August-25	-0.3%	0.5%	-0.4%	-1.8%
Pakistan	August-25	-0.6%	3.0%	-0.8%	-1.8%
Qatar	August-25	0.5%	0.7%	0.0%	2.7%
Saudi Arabia	August-25	0.2%	2.3%	0.0%	1.1%
Tunisia	August-25	0.5%	5.2%	0.8%	6.0%
UAE (Dubai)	August-25	0.1%	2.4%	-0.1%	-0.4%
West Bank and Gaza	August-25	-13.5%	35.5%	-27.3%	112.1%

Source: Haver Analytics and National Statistics Offices; MAPCE Staff Calculations.

Note: National Statistics Offices Consumer Price Indices (CPI) releases, as of September 22, 2025. M/M inflation is seasonally adjusted, except for Djibouti, Iraq, Lebanon, the UAE (Dubai) and West Bank and Gaza due to missing data.

The GCC and Jordan monetary policy committees have all decreased rates by 25 basis points, following the Fed's move earlier this month, while Morocco and Pakistan kept their rates unchanged.

Country	Last Decision Meeting	Policy Rate	Latest Interest Rate	1M Change	3M Change	6M Change
Bahrain	9/17/2025	Policy Rate	5.00	-0.25	-0.25	-0.25
Egypt	8/28/2025	O/N Lending	23.00	-2.00	-2.00	-5.25
Iraq	10/30/2024	Policy Rate	5.50	--	--	--
Jordan	9/21/2025	Main Rate	6.25	-0.25	-0.25	-0.25
Kuwait	9/18/2025	Discount Rate	3.75	-0.25	-0.25	-0.25
Morocco	9/23/2025	Main Rate	2.25	--	--	--
Oman	9/17/2025	Repo Rate	4.75	-0.25	-0.25	-0.25
Pakistan	9/15/2025	Policy Rate	11.00	--	--	-1.00
Qatar	9/17/2025	O/N Lending	4.85	-0.25	-0.25	-0.25
Saudi Arabia	9/17/2025	Repo Rate	4.75	-0.25	-0.25	-0.25
Tunisia	7/30/2025	Policy Rate	7.50	--	--	-0.50
UAE	9/17/2025	O/N Deposit	4.15	-0.25	-0.25	-0.25

Source: National Central Bank websites.

Note: Central Bank Policy Rates, as of September 23, 2025.

Lebanon saw a drop of 491 basis points (bps) in the spread of its 5-year foreign currency bonds over the last month. The rest of region also saw moderate decreases to their spreads, except for Tunisia's 7 bps increase.

Country	Latest Spread	1M Change	3M Change	6M Change	12M Change
Bahrain	1.75	-0.50	-0.95	-0.74	-0.54
Egypt	4.15	-0.46	-1.48	-1.86	-2.08
Iraq	2.37	0.07	-0.46	-0.14	-1.06
Jordan	1.95	-0.44	-1.24	-1.52	-1.68
Kuwait	0.51	-0.09	-0.03	-0.07	0.00
Lebanon	45.70	-4.91	-10.80	-5.46	-43.46
Morocco	-0.19	-0.17	-0.32	-0.31	-0.80
Oman	0.56	-0.15	-0.43	-0.64	-0.72
Pakistan	3.65	-0.38	-1.86	-1.86	--
Qatar	0.17	-0.12	-0.19	-0.25	-0.24
Saudi Arabia	0.48	-0.08	-0.21	-0.26	-0.36
Tunisia	3.85	-0.23	-0.14	-0.51	-5.59
UAE (Abu Dhabi)	0.06	-0.10	-0.29	-0.26	-0.39
US 5-Year Yield	3.70	-0.06	-0.26	-0.30	0.20

Source: Bloomberg L.P. and MAPCE Staff Calculations.

Note: Sovereign spreads as of September 22, 2025. Sovereign spreads are calculated as the difference between the yield to maturity of the representative Eurobond per country and that of the Generic 5-year US-Treasury Note. Bond yields are all quoted in USD. All Eurobonds are issued in USD, except for Morocco (issued in EUR). Each country's representative Eurobond is chosen as the bond that matures the closest to 2030: Kuwait and Tunisia's Eurobonds mature in 2027, Iraq's bond matures in 2028; Pakistan and Oman's bond matures in 2029; Jordan, Lebanon, Qatar, Saudi Arabia, the UAE and the USA bonds mature in 2030; Bahrain and Morocco bonds mature in 2031; Egypt's bond matures in 2032. Pakistan's bond does not have yield data prior to February 2025.

Capital markets rose moderately among oil importing economies (except for Egypt) over the past month – the highest being Pakistan's increase of 8 percent. On the other hand, the GCC (except for Bahrain and Oman) have seen decreases over the past month.

Country	1M % Change	3M % Change	6M % Change	1Y % Change
Bahrain	6.0%	12.2%	9.9%	6.6%
Egypt	0.8%	30.4%	25.6%	14.8%
Kuwait	2.0%	11.0%	10.2%	23.8%
Jordan	1.9%	20.6%	17.8%	41.0%
Morocco	-0.8%	11.9%	19.2%	46.2%
Oman	1.5%	10.1%	18.8%	7.1%
Pakistan	6.4%	31.8%	27.7%	74.1%
Qatar	-0.8%	10.7%	10.6%	9.0%
Saudi Arabia	0.4%	4.0%	-5.4%	-7.5%
Tunisia	5.2%	7.4%	3.3%	11.2%
United Arab Emirates	-1.6%	14.3%	17.6%	30.6%

Source: Morgan Stanley Capital International (MSCI) indices obtained from Bloomberg L.P. and MAPCE Staff Calculations.

Note: Equity Markets Performance as of September 22, 2025. The MSCI Country Equity indices are market capitalization-weighted indices aggregating the performance of companies representing 85% of each market, mainly consisting of large- and mid-cap companies. These indices are quoted in the USD.

Jordan's unemployment rate slightly decreased to 16.5 percent in Q2-2025, as did Oman's rate in August 2025, reaching 3.1 percent.

Country	Date of Latest Unemployment Rate Available	Unemployment Rates				
		Total	Male	Female	Nationals	Non- Nationals
Egypt	Q2-2025	6.10	3.50	15.80		
Iran	Q2-2025	7.30	6.00	13.70		
Jordan	Q2-2025	16.50	14.40	25.20	21.30	9.40
Morocco	Q2-2025	12.80	10.80	19.90		
Oman	August-25	3.10	1.70	8.50		
Qatar	Q4-2024	0.13	0.08	0.37	0.50	0.11
Saudi Arabia	Q1-2025	2.80	1.60	8.10	6.30	0.80
Tunisia	Q2-2025	15.30	12.60	20.90		
West Bank	Q2-2025	28.60	28.30	29.80		
Gaza Strip	Q4-2024	69.00	67.90	73.20		

Source: Haver Analytics and MAPCE Staff Calculations.

Note: Latest Unemployment Data available as of September 9, 2025.

The editors for this edition are Federico Roberto Bennett (Economist, MAPCE). Rana Lotfi (Consultant, MAPCE) provided the data analysis. This work is the product of MAPCE staff using external data. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work. For additional information or questions, kindly contact Federico Roberto Bennett (fbennett@worldbank.org), Rana Lotfi (rlotfi@worldbank.org), and Heran Negatu (hnegatu@worldbank.org).