



# **Transforming our Region: Future Insights – Economy & Value in Motion**



July 15 at 4PM GST

© 2025 PwC. All rights reserved



## Welcome

---

## Stephen Anderson

Chief Strategy & Technology Officer  
PwC Middle East

---

## Economic Updates

---

## Jing Teow

Partner, Economics & Sustainability  
PwC Middle East

---

## Value in Motion

---

## Stephen Anderson

Chief Strategy & Technology Officer  
PwC Middle East

---

# Welcome

## Stephen Anderson

Chief Strategy & Technology Officer  
PwC Middle East



# Economic Updates

Jing Teow

Partner, Economics & Sustainability  
PwC Middle East

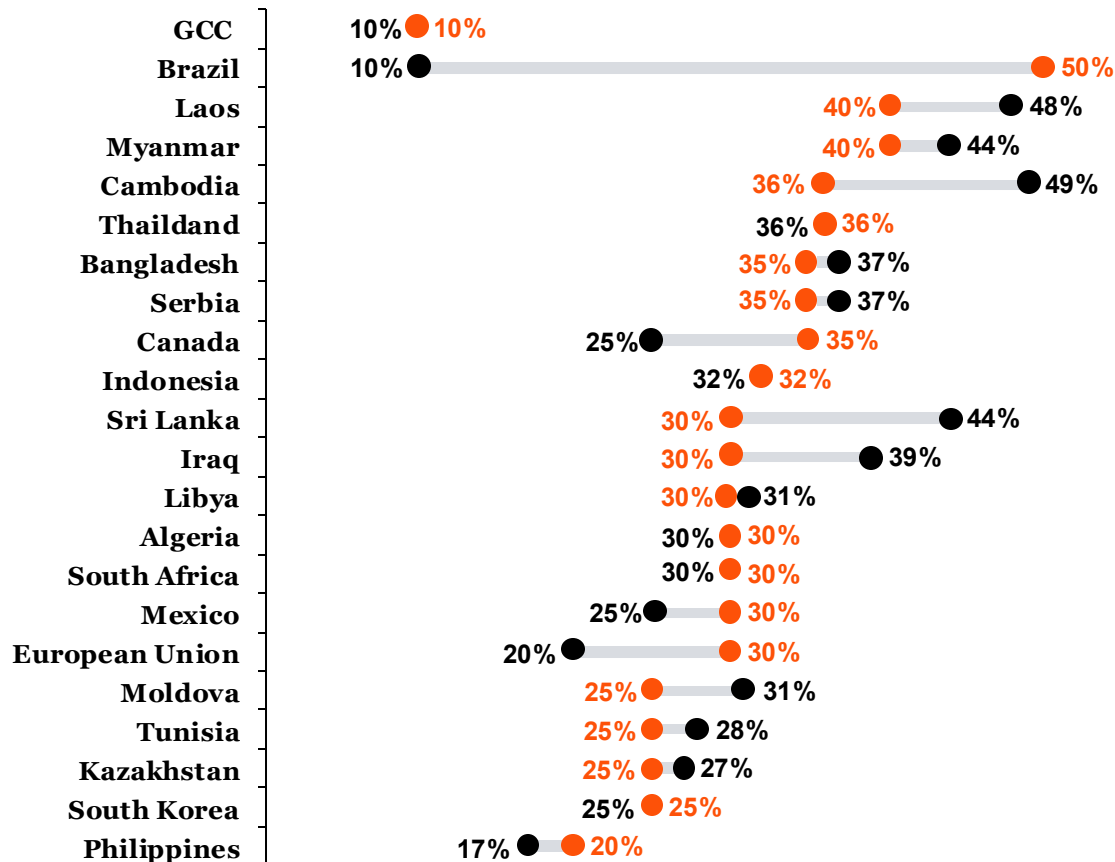
2

# US ramps up tariff pressure

The GCC has avoided additional US tariffs for now, but its ties with BRICS and China are drawing closer scrutiny

## US tariff rates (April 2<sup>nd</sup> vs July 7<sup>th</sup>)

● Tariffs announced on April 2<sup>nd</sup> or earlier ● Tariffs announced on July 7<sup>th</sup> or later



Source: Reuters

**While the GCC region is not directly hit by US tariffs, it still faces indirect risks that could strain the region's economies:**



**10% blanket tariff on BRICS** could affect the UAE (member) and KSA (invited to become a member)



Rising global trade tensions may make **investors more cautious about committing capital** to the region



Tariffs on global trade partners could increase risks of supply chains disruption by **raising the costs or delaying critical imports** to the GCC

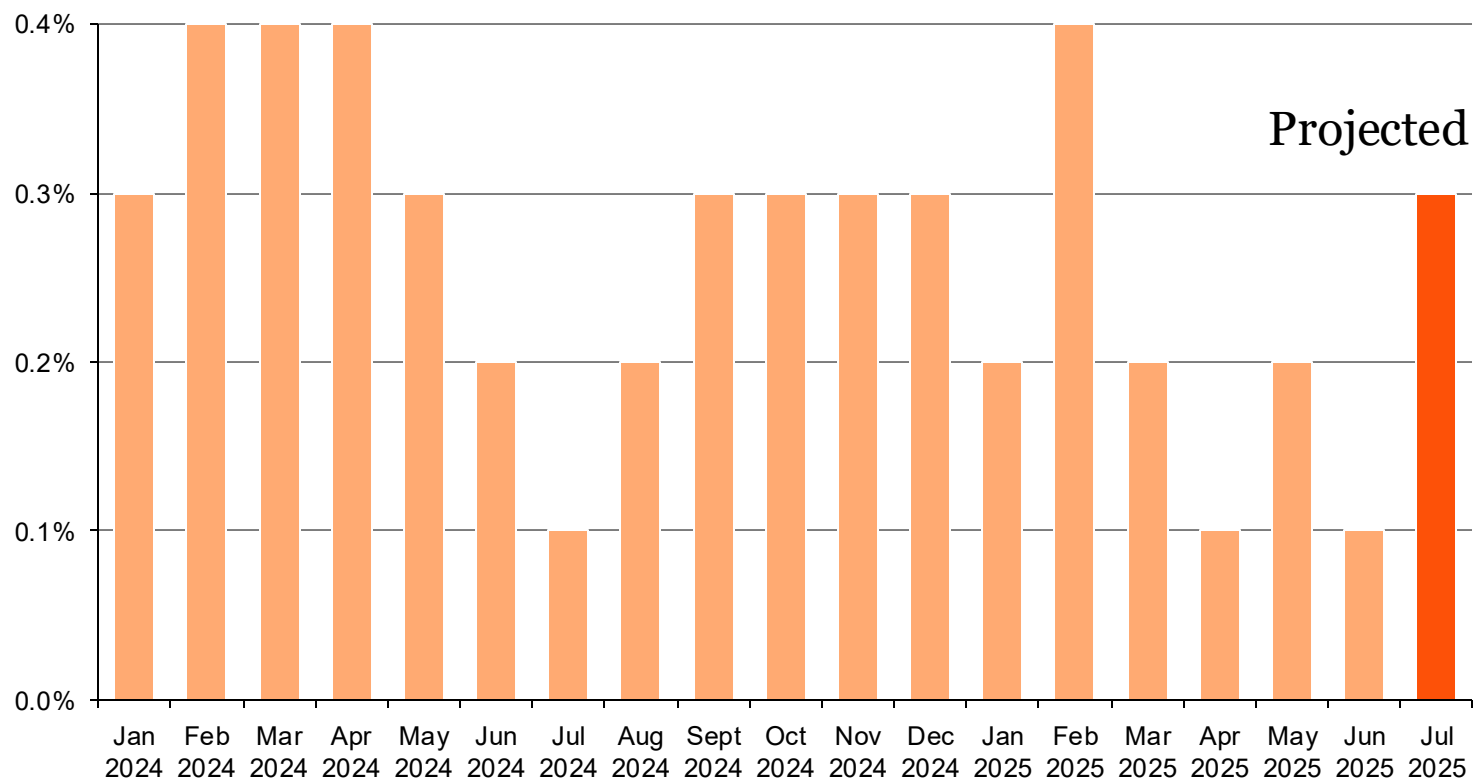
# US tariff impact on inflation and international trade

Inflation risks are emerging in the US, while transshipment trade routes ....

## US inflation rate

%

Core price index (MoM)



Source: Bureau of Labour Statistics



**Despite US tariffs, China's exports remain robust—** intensifying trade across transshipment routes through ASEAN



**Hamad Port** saw an **11% yoy increase** in transshipment volumes in 2025 H1

**Chinese exports to the UAE increased 20% in May**

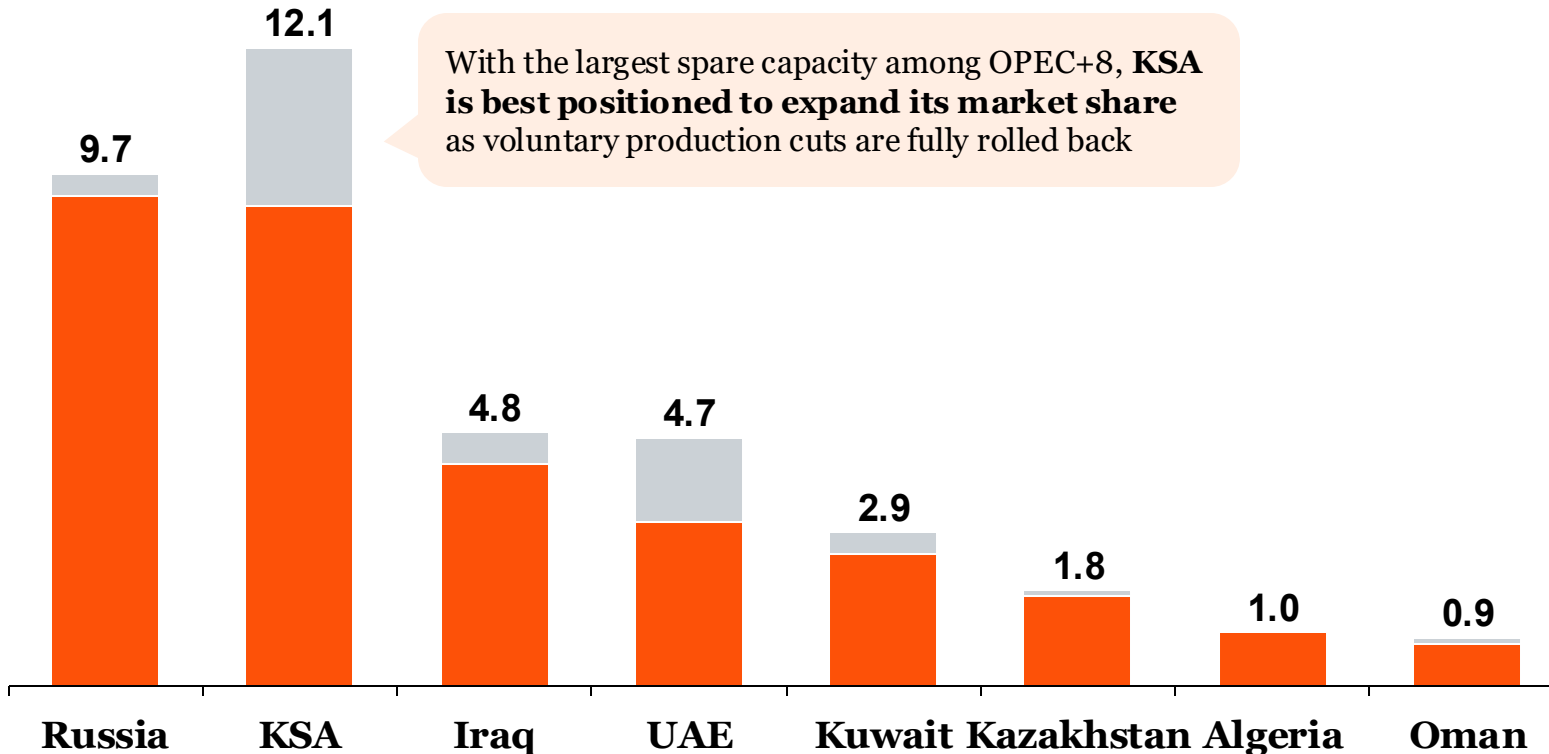
# Economic updates

As OPEC+ prepares to raise oil output by 548K bpd in August, GCC producers face a delicate balancing act between increasing global oil supply while keeping prices low enough to sustain demand, amid China's import slowdown

## Crude oil supply capacity

(Mn barrel/day)

Supply (May) Spare capacity



Source: HSBC Global Research, Reuters



**Oil production has remained below the higher quotas**, with the five OPEC members of OPEC+ increasing output in June short of the allowed quota



**Any uptick in oil prices risks triggering a pullback in imports** from China and India, as buyers lean on stockpiles rather than chase expensive cargoes



**For demand to rise in Q4, prices must ease** — putting the burden on OPEC+, especially GCC producers, to actively release volumes and test the market's price elasticity

# Value in Motion

Stephen Anderson

Chief Strategy & Technology Officer  
PwC Middle East







Value in Motion:  
The Middle East's  
time to lead is now.



Industries and sectors, 2023  
Total value of sectors

\$5.07trn

\$3.57tn

- Agriculture, forestry and fishing
- Mining and quarrying
- Manufacturing
- Energy utilities
- Water and waste
- Construction
- Wholesale and retail
- Transportation and storage
- Hospitality
- Information and communication
- Financial services
- Real estate
- Professional, technical services
- Public administration and defence
- Education
- Human health and social work
- Arts, entertainment and recreation



Industries and sectors, 2023  
Total value of sectors

\$3.57tn



\$4.57trn  
climate  
adjusted  
baseline

13.9%



Industries and sectors, 2023  
Total value of sectors

\$3.57tn



\$1trn  
of value will be  
reconfigured

\$4.57trn  
climate  
adjusted  
baseline

13.9%

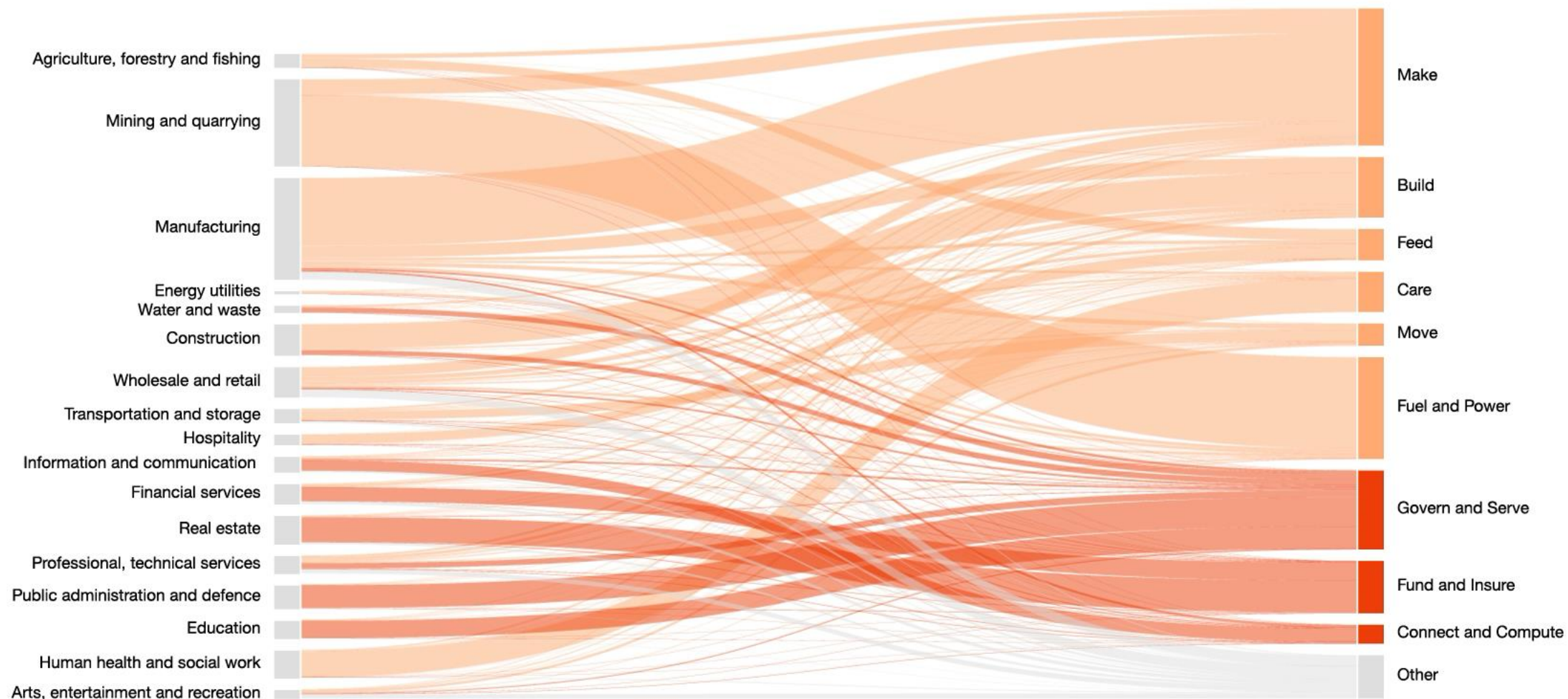


Industries and sectors, 2023  
Total value of sectors

**\$3.57tn**

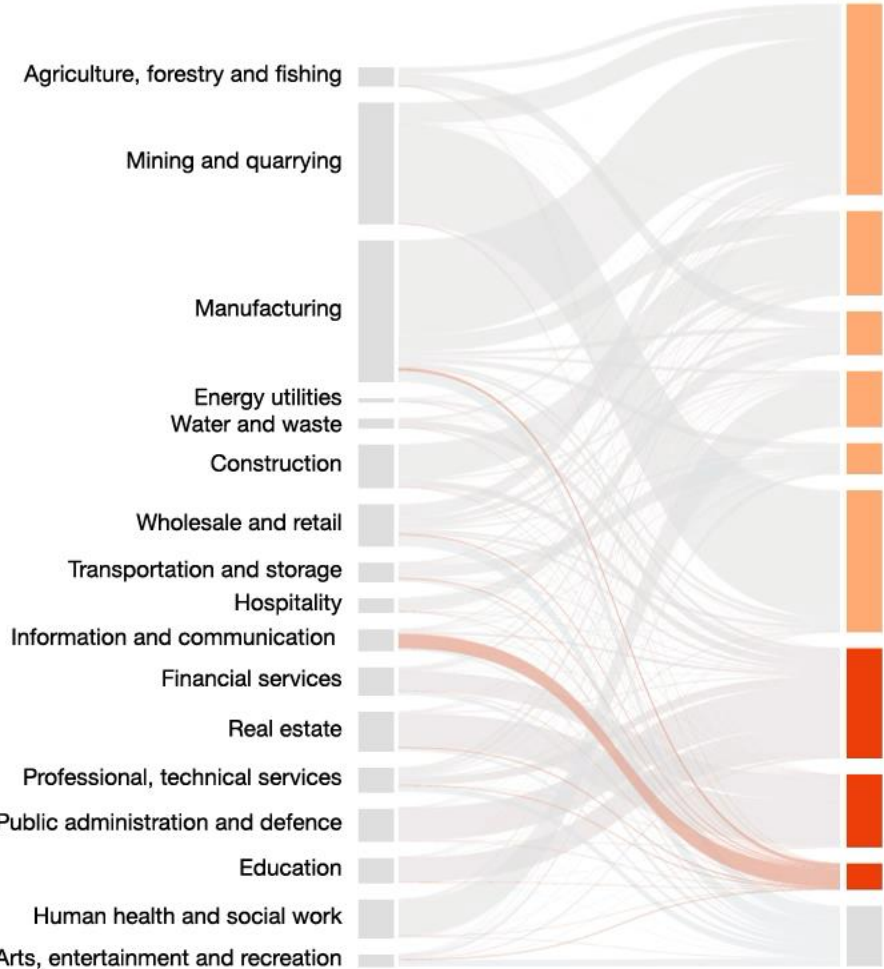
Domains, 2035  
Total value of domains

**\$4.57tn**



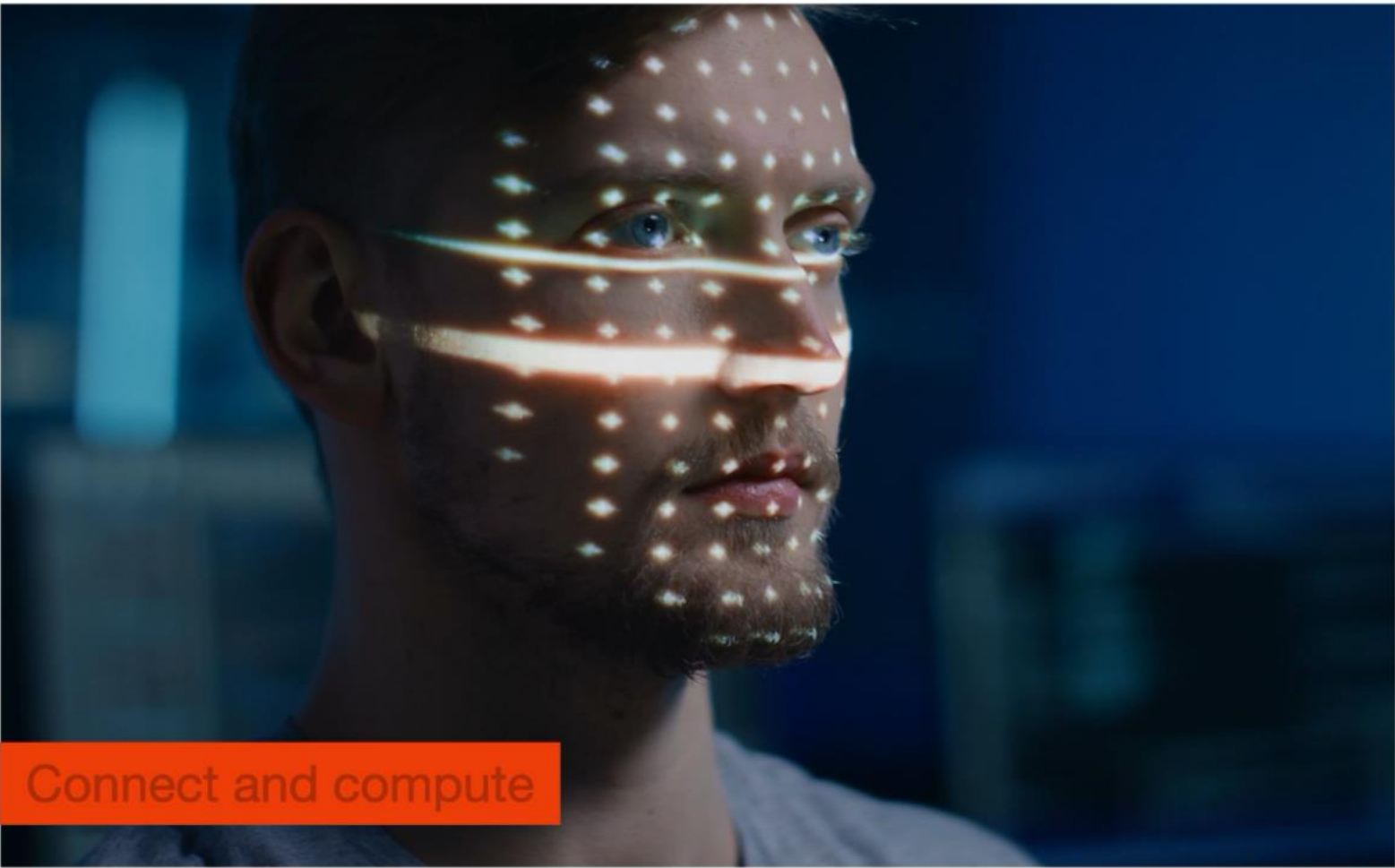
Industries and sectors, 2023  
Total value of sectors

\$3.57tn



Domains, 2035  
Total value of domains

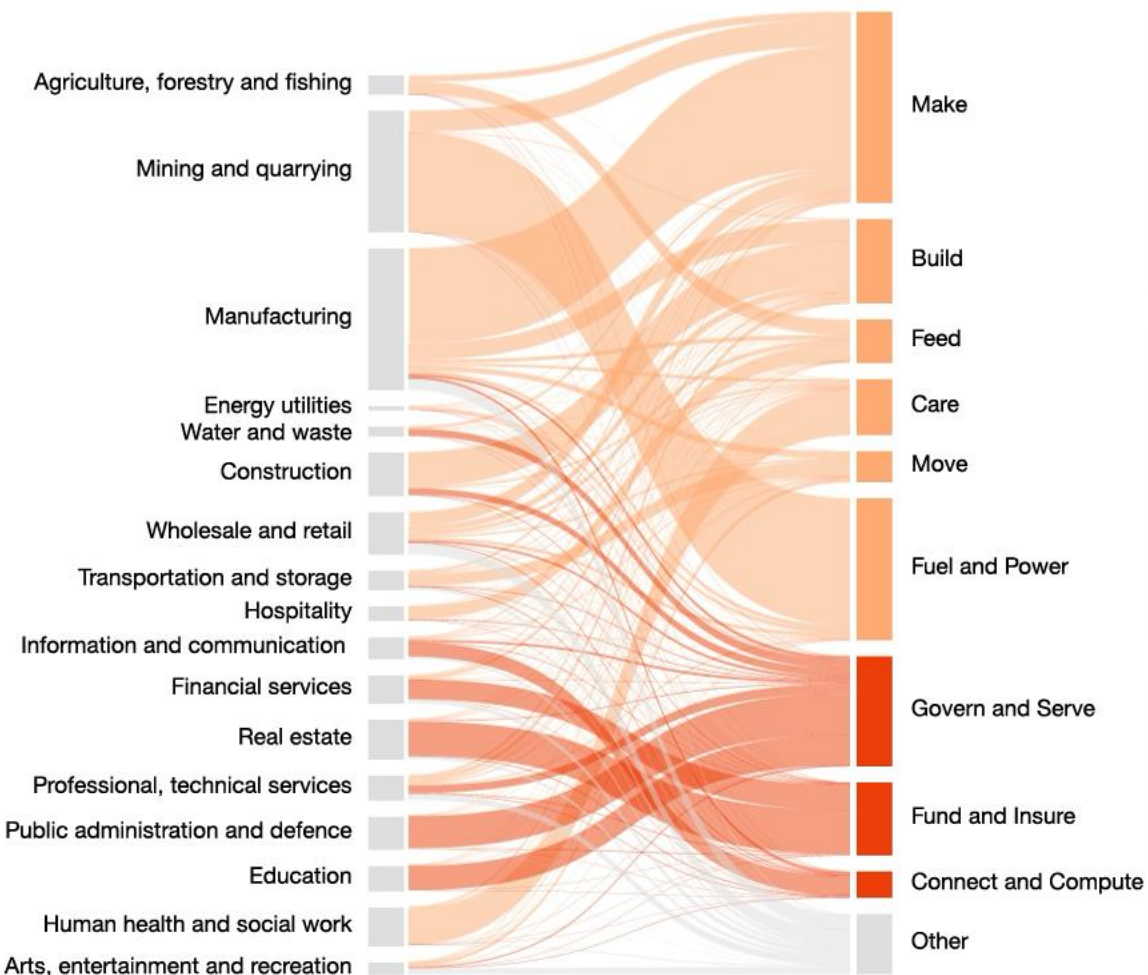
\$4.57tn





Industries and sectors, 2023  
Total value of sectors

**\$3.57tn**



Domains, 2035  
Total value of domains

**\$4.57tn**

### Trust-based transition

+8.3% AI productivity  
-5.2 Decarbonisation

### Tense transition

+3.9% AI productivity  
-2.9% Decarbonisation

### Turbulent times

-0.8% AI productivity  
-2.6% Decarbonisation

**2035 GDP**

**\$4.68trn**  
Trust-based  
transition

Q&A



Thank you