



PRESS RELEASE

Coface Risk Review: GCC Navigates Global Macro Volatility as Worldwide Growth Moderates to 2.6%

Amid oil crossing \$100/barrel, rising international shipping costs, and global interest rate pressures, Coface underscores the importance of trade credit risk management and strategic import security for regional enterprises.

Dubai, United Arab Emirates, 19 October 2026: Coface has released its latest global Risk Review, revealing a multi-speed global economy contending with renewed inflationary pressures, elevated commodity prices, and tightening monetary conditions. Against a backdrop where geopolitical developments have shaved an estimated 0.5 percentage points off global growth, moderating worldwide economic activity to 2.5% in 2026 before stabilizing at 2.6% in 2027. GCC economies continue to demonstrate resilience through active trade flow rerouting and sustained non-oil momentum.

In its quarterly review, Coface carried out four country upgrades and three regional reassessments, alongside 20 sector adjustments worldwide. While global financial conditions tighten following policy rate hikes of 25 basis points by major central banks, regional enterprises are leveraging strong liquidity to navigate international supply chain adjustments.

Key Global & Regional Findings

- **Global Growth Benchmark:** World economic expansion is forecast at 2.5% in 2026 and 2.6% in 2027, impacted by higher commodity costs and elevated financing rates.
- **Energy & Commodity Volatility:** Hydrocarbon prices climbed with oil crossing the \$100/barrel threshold in September, alongside significant gains in natural gas and agricultural commodities (+40% year-on-year for wheat).
- **Monetary Tightening:** Federal Reserve and European Central Bank rate hikes contributed to a 6% rise in the US dollar index and a 100+ bps climb in long-term borrowing rates globally.
- **Regional Trade Agility:** Despite complex maritime logistics, oil export volumes transiting through the Strait of Hormuz expanded significantly, accompanied by rapid commercial rerouting across secondary logistics corridors.

Mohamad Jomaa, CEO and Country Manager for GCC and Egypt at Coface, commented:

"While the global economy contends with a prolonged cost-of-capital cycle and growth moderating to the 2.6% mark, the GCC continues to display significant domestic balance-sheet resilience. However, the global transmission of higher energy, freight, and agricultural import costs means regional businesses must avoid credit complacency. As global supply chains face renewed friction, the priority for GCC enterprises is proactive counterparty intelligence, insulating balance sheets against overseas supplier distress and securing strategic import lines."

GCC Macroeconomic Focus: Managing Transit Agility and Import Security

Coface's barometer notes that GCC economies are actively managing external friction originating outside regional borders. In response to short-term transit risks across primary maritime export routes, regional operators have demonstrated operational speed, expanding transshipment volumes and leveraging alternative logistics corridors. Coface's updated quarterly assessments for Saudi



Arabia, the UAE, and Qatar reflect these short-term logistical and transit cost pressures, while highlighting the underlying stability of the region's fiscal and non-oil frameworks.

In the agri-food sector, Coface's review highlights international supply lines as a strategic area for commercial monitoring. With global agricultural benchmarks impacted by extreme weather across European farming belts and logistical bottlenecks in Black Sea ports (+40% for wheat), the impact is on international import corridors rather than domestic structural factors. This dynamic reinforces the strategic importance of national food security programs, sovereign reserve storage, and source-market diversification currently underway across the Gulf.

A Multi-Speed Global Landscape

Across international markets, corporate risk trends diverge significantly:

- **United States:** Sustained economic resilience supported by consumer spending, full employment (4% unemployment rate), and capital investments in Artificial Intelligence infrastructure.
- **Europe:** Modest performance underpinned by resilience in Germany and Spain, though weighed down by rising insolvencies and public finance constraints.
- **Asia:** High-growth momentum in India (+7.5%) and Vietnam (+8.4%) driven by infrastructure development and AI hardware demand, contrasting with softer domestic consumption in China and energy cost pressures in Southeast Asia.
- **Latin America & Africa:** Persistent consumer inflation and margin compression driven by agricultural and transport price increases

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COFACE: FOR TRADE

A leading player in global trade credit risk management for 80 years, Coface helps businesses grow their operations and navigate an uncertain and volatile environment. Regardless of their size, location or sector, Coface supports 100,000 clients across nearly 200 markets through a comprehensive range of solutions: credit insurance, information services, debt collection, single-risk insurance, surety bonds and factoring. Every day, Coface draws on its unique expertise and cutting-edge technologies to facilitate trade, both in domestic and export markets. In 2025, Coface had approximately 5,511 employees and recorded a turnover of €1.84 billion.



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