Euromonitor International

US/Israel-Iran War: GCC Impact and Diverging Economic Exposure

April 2026

INTRODUCTION

Oil supply disruptions put price stability and economic growth at risk
Key findings

GLOBAL OUTLOOK

Strait of Hormuz disruption sends shocks through the global economy
Oil shock weakens global growth outlook
Rising oil prices renews global inflation pressures
Duration of the US/Israel-Iran war is the key swing factor for global growth

GCC REGION IMPACT

GCC growth hit as exports disruption spreads beyond energy
UAE: Growth slows as war impacts both oil exports and services
Saudi Arabia: Rerouting helps but cannot offset wider disruption

MOST IMPACTED ECONOMIES

Energy importers and export-led manufacturers face the biggest hit
Japan: Growth momentum fades as energy shock spreads
South Korea: Fragile recovery weakens as energy and input shocks hit manufacturing
Germany: Fragile recovery faces a renewed energy shock

MOST RESILIENT ECONOMIES

Energy security and domestic demand underpins the most resilient economies
US: Growth slows but remains resilient under a prolonged war scenario

CONCLUSION

Questions we are asking
How to build resilience amid geopolitical tensions

APPENDIX

Baseline and alternative scenarios: Q2 2026

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