

GCAT: The Rise of a Strategic Corridor

Macroeconomic Forecasts, Commodity Insights, and Regional Integration Dynamics

This report marks the launch of our macroeconomic coverage of the **GCAT region**, comprising the Gulf, Central Asia (including the Caucasus), and Turkey, offering in-depth analysis across 14 strategically important countries. We present detailed macroeconomic forecasts for each country, offering a data-driven view of growth, fiscal dynamics, and external balances.

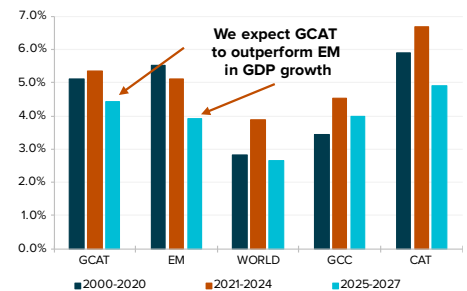
In parallel, we initiate comprehensive coverage of **Global Commodities**, with a focus on oil, gas, and key raw materials shaping regional and global dynamics. By connecting macro trends with commodity markets, this report aims to provide a holistic view of the economic forces at play across this interconnected landscape.

- **GCAT as a Strategic Corridor:** The Gulf, Caucasus, Turkey, and Central Asia form a natural economic corridor, linking energy-rich Gulf states with resource-rich Central Asia and Europe-facing Turkey, Azerbaijan and Georgia. GCAT has outperformed EM growth since 2021, and we project average growth of 4.4% in 2025–27, outpacing the EM average of 3.9%.
- **Structural Transformation in GCC:** Vision-led diversification agendas (e.g., Saudi Vision 2030, Oman 2040) are shifting growth engines from hydrocarbons toward tourism, finance, logistics, and manufacturing. For the 2025–27 period, though, we forecast hydrocarbon growth to pick up, driven primarily by Saudi Arabia and the UAE as OPEC+ production cuts unwind. Qatar will also play a key role, with new natural gas capacity coming onstream, supporting the sector's contribution to near-term growth.
- **Central Asia's Momentum:** The region had decent growth (6.0% average since 2000), driven by infrastructure, investment and reforms. We forecast growth to moderate to 4.9% in 2025–27, but still ahead of the EM growth.
- **Turkey's Bridging Role:** Turkey is positioning itself as the geopolitical and trade connector between the Gulf, Caucasus, and Central Asia. Energy transit, defence partnerships, and logistics corridors strengthen this role. It stands as the region's largest trading partner with the GCC (USD 48 bn in 2023) and with Central Asia and the Caucasus (USD 26.5 bn).
- **Commodity Outlook:** We expect Brent crude averaging USD 68–75/bbl over 2025–30 and LNG benchmark easing post-2026 (JKM USD 12–12.5/MMBtu, TTF USD 11–12/MMBtu). At the same time, non-hydrocarbon resources are gaining weight: we forecast copper near USD 10k/t and gold stabilising around USD 3k/oz.
- **Trade Integration Potential:** Despite GCAT's vast resource base and strategic location, intra-regional trade remains underdeveloped. GCC–CAT flows are around USD 60bn, 3.0% of GCC and 6.2% of CAT trade. We expect trade to improve with infrastructure investment, energy pipelines, and FTAs.
- **Macro Risks:** External shocks (oil price volatility, global demand slowdown), governance weaknesses, and geopolitical tensions remain key risks.

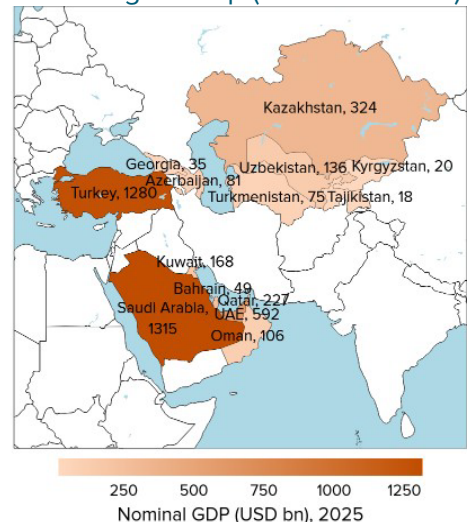
GCAT

Macro-Economics
Commodities

GCAT GDP Growth vs. EM & World



GCAT Region Map (GDP in USD bn)



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