



War in the Middle East: Economic Spillovers and Policy Challenges — IsDB Perspective

11 May 2026



Cheikh Diop

IsDB Group Chief Economist Office

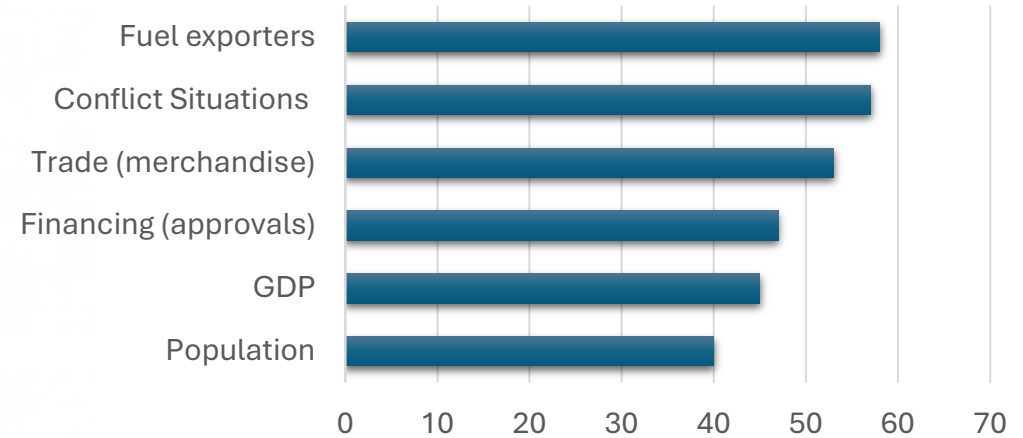


MENAP: Systemic Anchor in IsDB Membership

IsDB membership spans 57 countries across four continents, with MENAP accounting for 24 members (42%).



MENAP Share (%)



Shares calculated relative to IsDB membership totals; approvals refer to 2025 IsDB Group approvals

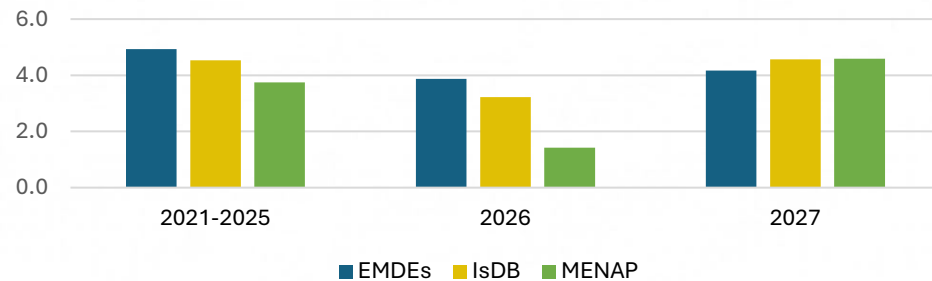
MENAP combines significant economic weight with concentrated vulnerability, making regional shocks highly consequential for the broader IsDB membership.

Uneven Impacts, Differentiated Responses

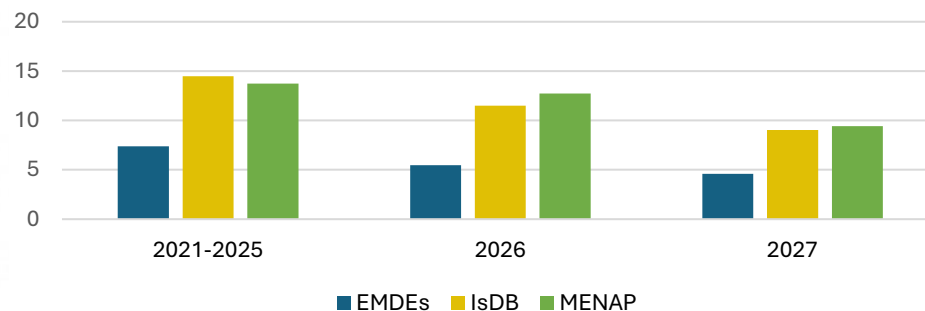
Economies across IsDB membership face persistent inflation pressures and uneven growth impacts, amplified in 2026 by MENAP-driven shock transmission.

Uneven shocks and structural divergence make policy responses both limited and complex.

GDP Growth (%)



Inflation (%)



Uncertainty & Downside Risks

- Outlook contingent on conflict dynamics; Downside risks dominate
- Prudent, countercyclical policies where space allows

Opportunity & Structural Shift

- Energy diversification & resilience
- Regional integration
- Food systems strengthening


Collective Action Imperative


- Scale concessional finance
- Strengthen MDB coordination
- Strengthen regional energy, food, and liquidity platforms

THANK YOU

Get in touch:

 +966 12 646 6634

 ChiefEconomist@Isdb.org

 <https://gce.isdb.org/>



Website

