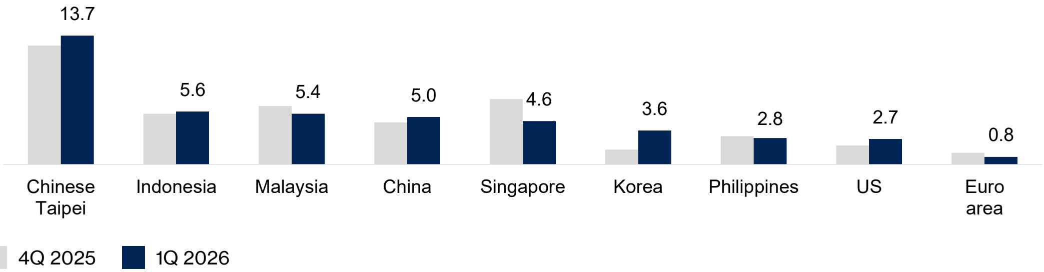
International Economic Environment

Global Economic Performance

Sustained global growth in 1Q 2026

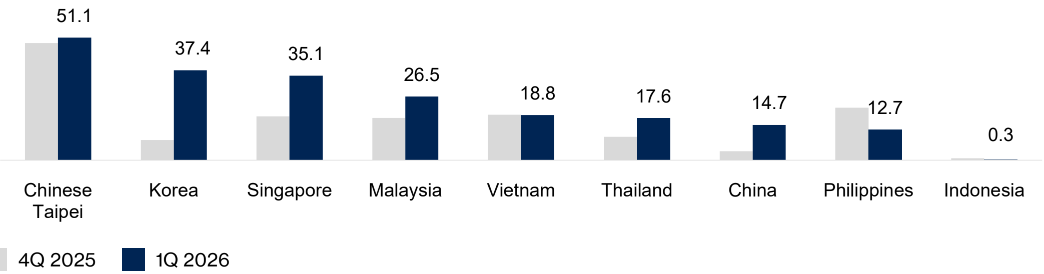
GDP of selected economies,
Annual change, %



Source: National authorities

Regional trade remained supported by tech demand

Exports of selected economies,
Annual change, % (in USD terms)



Source: National authorities

Highlights

- **Global growth remained resilient in 1Q 2026,** supported mainly by sustained domestic demand and continued global tech expansion. The US economy expanded further due to higher investments and government spending. In China, growth was anchored by continued strength in exports, alongside improving domestic activity.
- **Regional trade was broadly sustained**. Several economies that benefited from strong demand for tech products, especially AI-related components, recorded higher export growth. Meanwhile, others experienced slower trade due to lingering impact from tariffs and supply disruptions linked to heightened conflict in the Middle East.
- **Headline inflation edged higher**, exacerbated by rising energy prices amid disruptions in global commodity supply chains.
- **Higher average of Brent crude oil prices in 1Q 2026** at USD80 per barrel (4Q 2025: USD63 per barrel), following the escalation of conflict in the Middle East. The conflict led to the effective closure of the Strait of Hormuz, a critical chokepoint through which over 20% of global oil flows transit. The consequent production shutdowns and damage to energy infrastructure resulted in unprecedented supply disruptions and heightened volatility in global energy markets.