

GCC's economy will be worth \$2tn by 2020 - report

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ECONOMIC GROWTH: The DIFC will play a big role in the future growth of the economy in the UAE. (Getty Images)

The combined economies of the Gulf region will be worth \$2 trillion by 2020 but it will face tougher competition to attract a skilled expat workforce, according to a new report.

The study, produced for the Qatar Financial Centre (QFC) also says the GCC's younger population, compared to the rest of the developed world, will help economies to grow.

The GCC in 2020: Outlook for Gulf and the Global Economy, a report prepared by the Economic Intelligence Unit (EIU) said the GCC is expected to remain a major importer of foreign labour by 2020.

However, it will face increasing global competition for migrant labour — especially in sectors where skills are scarce — as populations in Organisation for Economic Cooperation and Development (OECD) countries become older, The Peninsula reported on Friday.

The number of migrant workers in the GCC is also likely to fall in the short term, as hundreds of thousands of workers are laid off, particularly in the construction sector, the report added.

The report examines likely development in the GCC over the next decade, and explores how the region's relationship with the global economy might evolve.

Based on long-term forecasts from the EIU, the report says that the GCC will be a \$2tn economy by 2020.

"Our report demonstrates the growing development of the GCC as an economic and trading hub," said Jane Kinninmont, an economist at the EIU.

The report also said that there is likely to be closer economic and political integration between GCC countries.