



ISRAEL REAL ESTATE FORUM

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A U T U M N · 2 0 2 6

Israel: fastest-growing economy in Europe 2026-2027

And the fastest-growing of all 43 advanced economies worldwide in 2027, according to new IMF report

Research note for the IREF community · IMF World Economic Outlook, published 13 October 2026

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KEY FINDINGS

Fastest growth in Europe: not new, and not unique

The IMF's October 2026 World Economic Outlook published last week projects Israel's real GDP to grow 4.5% in 2026 and 4.4% in 2027: the fastest of 32 European economies in both years, and the fastest of all advanced economies worldwide in 2027.

#1

Growth in Europe, 2026

4.5% real GDP growth. Euro area 1.1%.

#1

Growth in the world, 2027

4.4% real GDP growth. #1 of 43 advanced economies.

Top 2

Long-run growth

Of all 43 advanced economies worldwide, in every IMF edition since 2021.

Not new

The IMF has ranked Israel's long-run growth #1 or #2 of all advanced economies in every Outlook since 2021 (page 6), sometimes behind only Malta.

Not unique

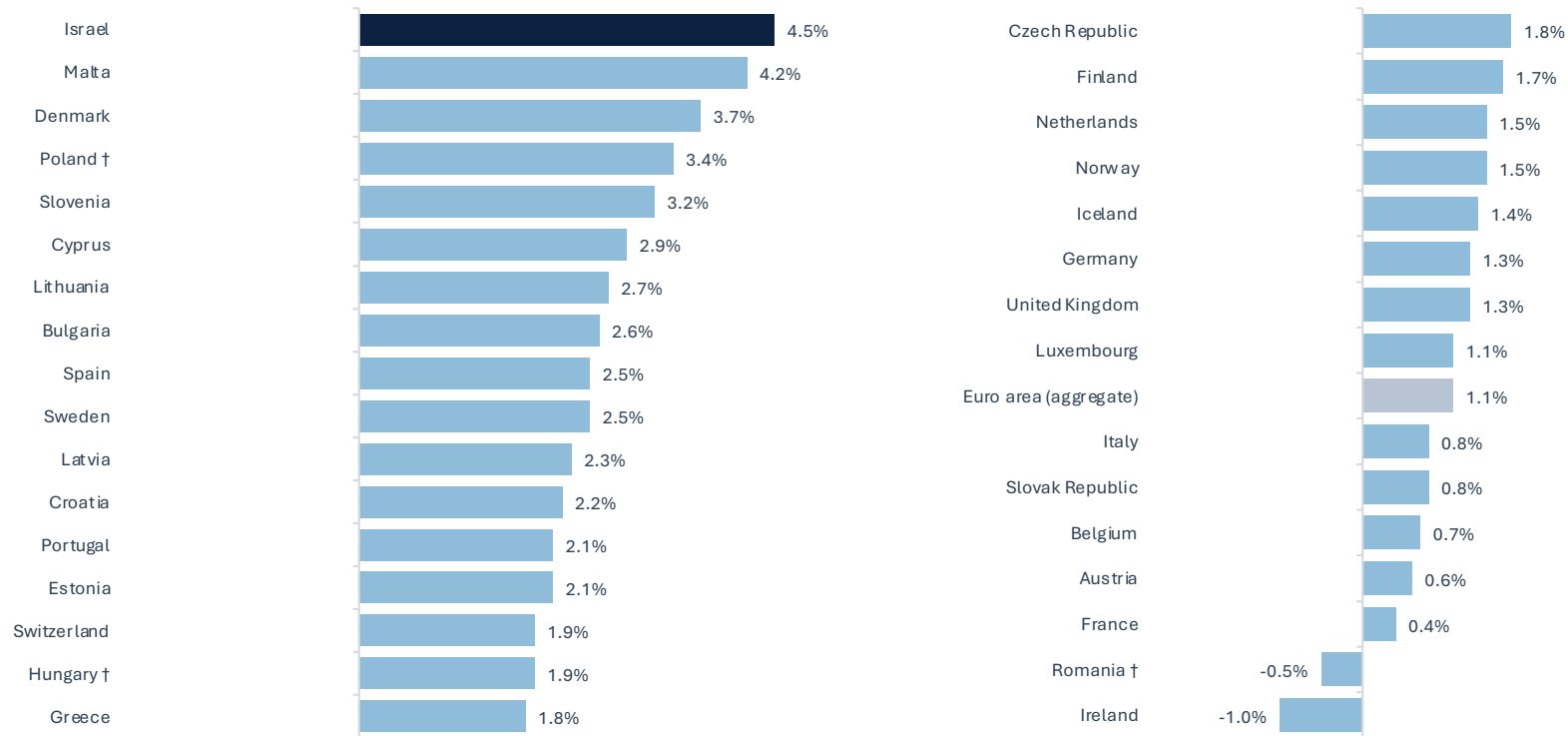
The Bank of Israel and the OECD also project similarly strong growth in 2026–27, and with inflation inside the 1–3% target (page 7).

Source: IMF, World Economic Outlook, October 2026, Statistical Appendix. Ranks are among the 32 European economies defined on page 10.

GROWTH · 2026

Israel tops 32 European economies, at 4.5% growth in 2026

IMF real GDP growth projections · euro area 1.1%



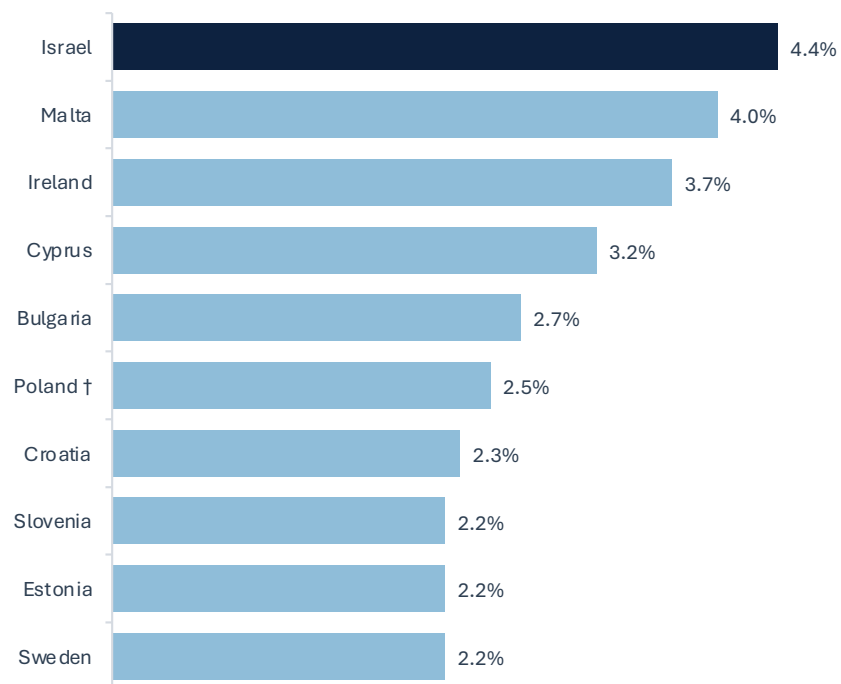
Source: IMF, World Economic Outlook, October 2026, Statistical Appendix Tables A2 and A4. 2026, 2027 and 2031 are IMF projections. † IMF emerging market economy.

GROWTH · 2027 AND 2031

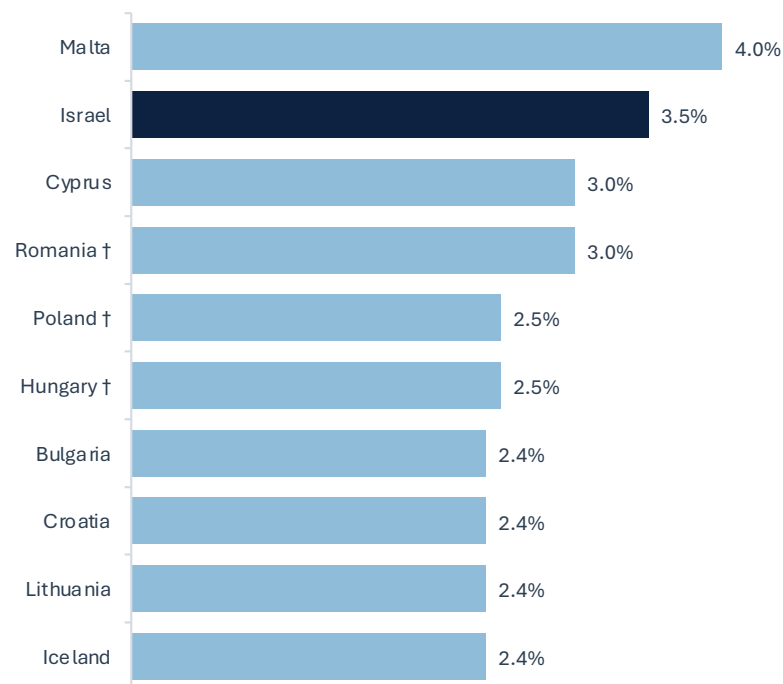
First again in 2027, and second only to Malta in 2031

2031 is the IMF's five-year-ahead view of long-term sustainable real GDP growth

2027 · TOP 10 OF 32



2031 (long-term sustainable) · TOP 10 OF 32



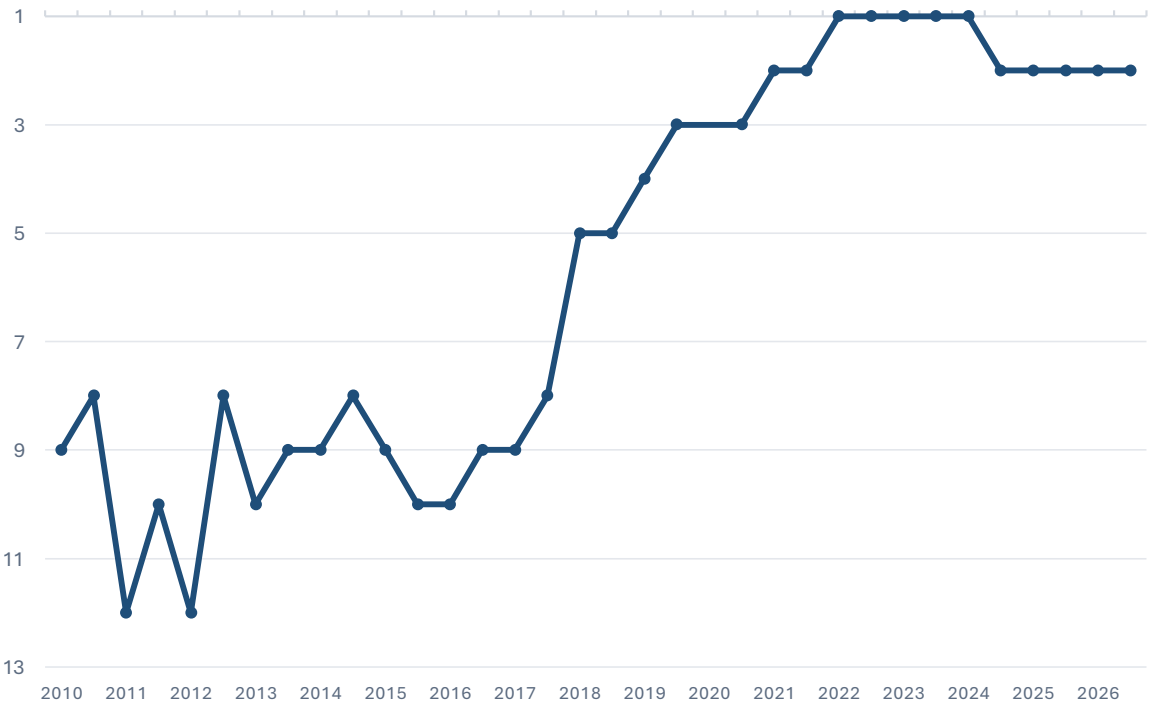
Source: IMF, World Economic Outlook, October 2026, Statistical Appendix Tables A2 and A4. 2026, 2027 and 2031 are IMF projections. † IMF emerging market economy.

NOT NEW · IMF TRACK RECORD

Not new: IMF has ranked Israel's long-run growth top two since 2021

#1 or #2 of all advanced economies in every IMF edition since 2021, at 3.1–3.8% a year

ISRAEL'S RANK FOR LONG-RUN GROWTH, BY IMF EDITION (1 = FASTEST)



LONG-RUN FORECAST, SINCE 2021

IMF edition	Israel	Rank	#1
Apr 2021	3.1%	#2	Malta
Oct 2021	3.2%	#2	Malta
Apr 2022	3.5%	#1	Israel
Oct 2022	3.5%	#1	Israel
Apr 2023	3.6%	#1=	Israel / Malta
Oct 2023	3.8%	#1	Israel
Apr 2024	3.6%	#1	Israel
Oct 2024	3.4%	#2	Malta
Apr 2025	3.4%	#2	Malta
Oct 2025	3.4%	#2	Malta
Apr 2026	3.4%	#2	Malta
Oct 2026	3.5%	#2	Malta

Source: IMF WEO Historical Forecasts Database (editions to Oct 2022); WEO Statistical Appendix Table A2 (Apr 2023 to Oct 2026). Long-run = forecast for the fifth year after each edition. Ranks among IMF advanced economies with data; = denotes a tie. No long-run forecast in Apr 2020.

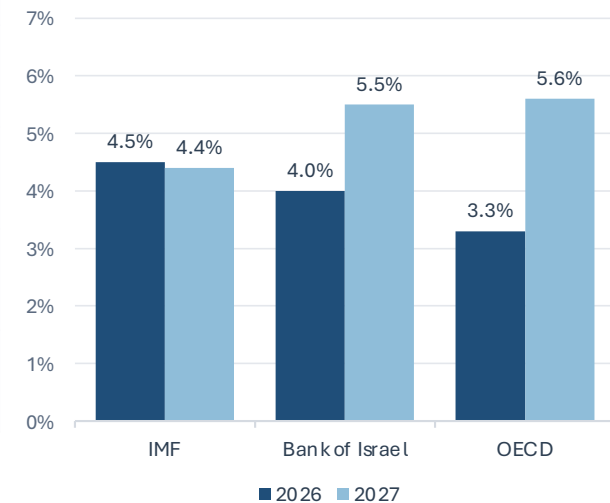
NOT UNIQUE · OTHER FORECASTERS

Not unique: other forecasters also see strong growth and low inflation

They differ mainly on timing: the IMF is highest for 2026 and lowest for 2027

Forecaster	Date	GDP 2026	GDP 2027	2026–27 combined	CPI 2026	CPI 2027
IMF World Economic Outlook	Oct 2026	4.5%	4.4%	9.1%	1.8%	2.0%
Bank of Israel Research Dept staff forecast	Jul 2026	4.0%	5.5%	9.7%	1.8%	1.8%*
OECD Economic Outlook	Jun 2026	3.3%	5.6%	9.1%	2.3%	2.1%
Ministry of Finance Chief Economist	Mar 2026	3.3–3.8%	n/a	n/a	n/a	n/a

REAL GDP GROWTH BY FORECASTER



Inflation

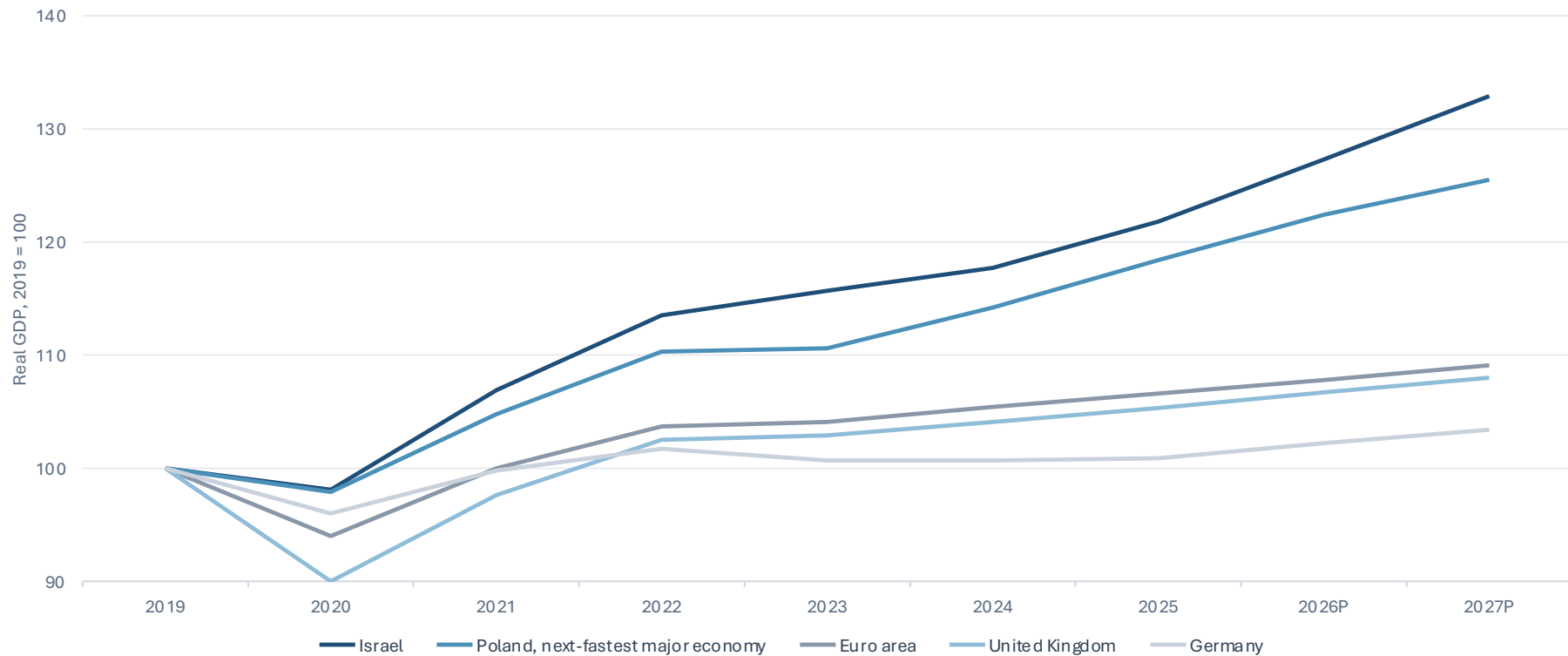
Every forecaster that publishes an inflation projection sees it inside the Bank of Israel's 1–3% target in 2026 and 2027.

Sources: IMF WEO, October 2026; Bank of Israel Research Department staff forecast, 6 July 2026; OECD Economic Outlook, June 2026 (as reported); Israel Ministry of Finance Chief Economist, March 2026 (2026 scenarios only). *Four quarters to Q2 2027. Combined = 2026 and 2027 growth compounded.

CUMULATIVE GROWTH

Israel's economy will be 33% larger in 2027 than in 2019

the fastest of Europe's major economies: Poland, next, grows 25% and the euro area 9%

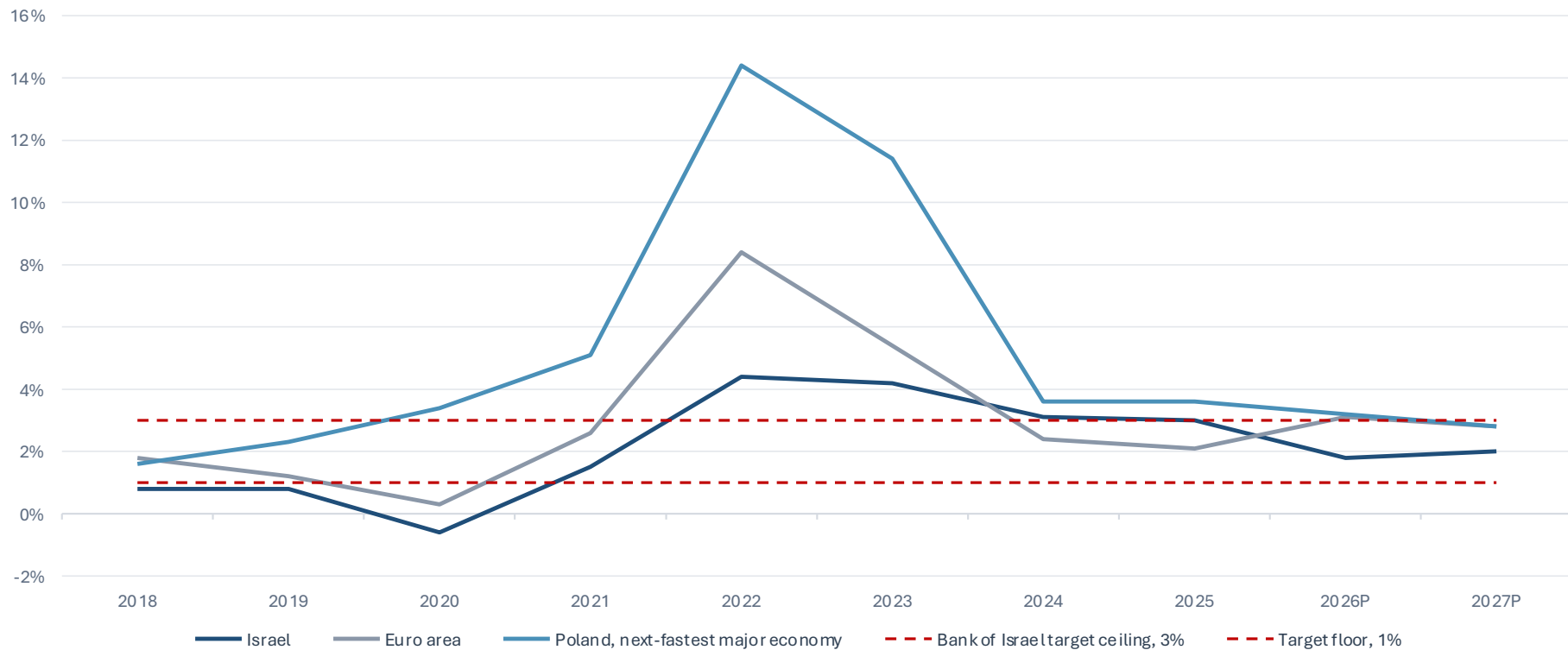


Source: IMF, World Economic Outlook, October 2026, Tables A2 and A4; IREF calculations (annual growth compounded from 2019). P = IMF projection. Major economies: Germany, UK, France, Italy, Spain, Netherlands, Poland, Switzerland, Belgium, Sweden. Ireland, Malta and Cyprus grew faster from smaller bases; Irish GDP is inflated by multinationals.

INFLATION · 2018–2027

Israel's inflation peaked at half the euro area's and is now falling

IMF projects 1.8% in 2026, against 3.1% in the euro area and 3.2% in Poland



Source: IMF, World Economic Outlook, October 2026, Statistical Appendix Tables A6 and A7 (annual average consumer prices); Bank of Israel. Peaks in 2022: Israel 4.4%, euro area 8.4%, Poland 14.4%. P = IMF projection.

DEFINITIONS

How to read the IMF figures

Term	What it means
Projections	Figures for 2026, 2027 and 2031 are IMF projections from the World Economic Outlook of 13 October 2026. Figures for 2025 and earlier are IMF estimates of outcomes.
2031	A single year, not an average. It is the end of the IMF's five-year projection horizon. By IMF convention, cyclical effects have faded by then, so 2031 approximates each economy's sustainable growth rate and settled inflation.
The 32 economies	The 28 European advanced economies in the IMF tables (the 21 euro-area members, the UK, Switzerland, Sweden, Norway, Denmark, Iceland and the Czech Republic), plus Israel, plus Poland, Hungary and Romania, which the IMF classifies as emerging. Microstates are excluded.
Ireland	Irish GDP is inflated by the accounts of multinational companies, so its growth rates overstate domestic activity. It is shown as reported.
Inflation	Annual average change in consumer prices. Israel's price-stability target, set by the government with the Bank of Israel Governor, is 1–3% a year.

CONCLUSION

Fastest growth, and a view the IMF has held for years

Fastest growth

The IMF projects Israel to grow faster than all 31 European peers in 2026 and 2027, at 4.5% and 4.4%, and faster than every advanced economy worldwide in 2027.

The euro area grows 1.1% and 1.2%.

Not new

The IMF has ranked Israel's long-run growth #1 or #2 of all advanced economies in every edition since 2021.

Its latest long-run forecast is 3.5% a year, second only to Malta.

Not unique

The Bank of Israel and the OECD also project strong growth in 2026 and 2027.

All three see inflation inside the Bank of Israel's 1–3% target.

The takeaway

Israel's growth lead is strong, durable and widely forecast, and it comes with inflation under control.

Source: IMF, World Economic Outlook, October 2026, and earlier editions; Bank of Israel; OECD; IREF calculations.

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