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MEcon monthly updates  
Saudi Arabia, UAE and Qatar

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## Meet the country economists



### Saudi Arabia



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## Country profile | Overview



**Saudi Arabia**



**United Arab Emirates**



**Qatar**

Note: All data and news reported within this document for Saudi Arabia, United Arab Emirates and Qatar are up to date as of 29<sup>th</sup> of October 2025

## Country profile | Saudi Arabia

# SAUDI ARABIA



## Key highlights



## 01

Oil exports rose to a six-month high in August 2025, outpacing non-oil export growth, as KSA increased production<sup>1</sup> while continuing to unwind previous voluntary supply cuts. The non-oil sector reached a six-month high in September 2025, with the Purchasing Managers Index (PMI) rising to 57.8—the strongest since March 2025—reflecting rapid private-sector improvement driven by increased business activity and new work. This growth is supported by strong project activity, with KSA accounting for over half of GCC project awards in Q3 2025, led by giga projects in real estate, tourism, and infrastructure.

## 02

The IMF has revised KSA's economic growth forecast upward to 4.0% for both 2025 and 2026, reflecting increases of 0.4 and 0.1 pp respectively compared to its July outlook, driven by stronger-than-expected oil production and resilience in the non-oil sector. Fitch Ratings notes that KSA's 2026 pre-budget statement signals a tighter fiscal stance following a 2025 deficit rise to 5.3% of GDP, with the deficit expected to improve to 3.3% in 2026, supported by stronger non-oil growth and stable oil revenues. However, high spending commitments and lower oil prices could pose risks to the Kingdom's fiscal consolidation path.

## 03

KSA continues to implement policy reforms aimed at diversification and enhancing social welfare. Key initiatives include the introduction of sugar tax reforms, lifting restrictions on full foreign ownership in listed companies, abolishing the Kafala system to improve labour market flexibility, and localization policies within the tourism sector to increase Saudi employment. Together, these reforms aim to promote economic stability, social inclusion, and enhance the Kingdom's attractiveness to foreign investors.

Sources: 1 OPEC+ members agree to larger-than-expected oil production hike in August

## Latest data releases

# SAUDI ARABIA



**2.2% (+0.7 pp)**  
YoY Sep' 2025

### Headline inflation<sup>1</sup>

Inflation rate reached 2.2% in September 2025, representing a 0.7 pp increase compared to September 2024 and a 0.1 pp decrease compared to August 2025. This was driven by higher prices for housing, water, electricity, gas and fuels (+5.2%), recreation, culture and sports (+2.7%), transport (+1.6%), and restaurants and accommodation (+1.5%). Meanwhile, prices fell in September for furnishings and household equipment (-0.6%) and information and communications (-0.4%).



**57.8 (+1.4 pts)**  
MoM Sep' 2025

### Non-oil PMI<sup>2</sup>

The non-oil PMI rose to 57.8 in September 2025 from 56.4 in August, marking the fastest growth since March. This was driven by a surge in new orders, strong market conditions, new customers, and competitive pricing, resulting in increased international work for the second month. Employment rose sharply on higher demand. Output cost inflation eased, with prices rising at their slowest rate in four months due to strong competition, while input cost inflation remained above average, driven by increases in wages and supplier costs



**SAR 29.3 Bn (+5.5%)**  
YoY Aug' 2025

### Non-oil exports<sup>3\*</sup>

In August 2025, KSA's total trade balance rose by 4.1% YoY, reaching SAR 24.2 Bn, driven by a 6.6% increase in merchandise exports that outweighed a 7.4% rise in imports YoY. Export growth was primarily supported by a 7.0% increase in oil exports, which reached their highest level since January 2025 at SAR 69.8 Bn, outpacing the 5.5% YoY growth in non-oil exports, including chemical products and re-exports such as food products during the same period.



**3.2% (-0.1 pp)**  
YoY Q2 2025

### Unemployment rate<sup>4</sup>

The overall unemployment rate (Saudis and non-Saudis) fell to 3.2% in Q2 2025, down 0.1 pp YoY but up 0.5 pp from Q1 2025. The Saudi unemployment rate, which stood at 6.8% during the same period, showed a similar pattern. Labour market changes were more pronounced among Saudi women, whose unemployment rate rose to 11.3%—a decrease of 1.5 pp from last year but an increase of 0.8 pp from the previous quarter. Meanwhile, their labour force participation rate declined to 34.5%, down from 36.3% in Q1 and 35.4% in Q2 2024.

**Sources:** 1 GASTAT Annual inflation ; 2 Trading Economics - KSA Non-Oil PMI, 3 GASTAT Non-Oil Exports ; 4 GASTAT – Unemployment Rate

**Note:** pp refers to percentage point; ; \* includes re-exports

## Latest news (1/2)

# SAUDI ARABIA

### IMF raises growth forecast to 4% for 2025 and 2026

The IMF's economic outlook published in October has raised Saudi Arabia's growth forecast to 4.0% for both 2025 and 2026, representing increases of 0.4 and 0.1 pp, respectively, compared to its July outlook. The upward revision reflects the faster-than-expected unwinding of OPEC+ oil production cuts, enabling KSA to increase oil output sooner than previously anticipated. Additionally, the IMF highlighted continued resilience in the non-oil sector and positive momentum in reforms, diversification efforts, and major non-oil initiatives such as Qiddiya, Red Sea Global and Diriyah. [IMF – Read more](#)

### KSA tops GCC projects market in Q3 with USD 28.1 Bn in contract awards

Project awards in KSA accounted for over half of the total awards across the GCC in Q3 2025, primarily driven by giga projects transitioning from planning to execution, particularly in real estate, tourism, and infrastructure, reflecting significant progress in the Kingdom's Vision 2030 diversification efforts. Project activity is expected to accelerate from Q4 2025 onwards, with KSA's pipeline representing approximately half of the total GCC pipeline. Notably, Saudi Aramco plans to undertake 99 projects over the next three years and currently has around USD 50 Bn worth of engineering, procurement, and construction contracts under execution. [Arab News – Read more](#).

### KSA's 2026 pre-budget statement forecasts spending of SAR 1.3 Tn

The Saudi Ministry of Finance's 2026 Pre-Budget Statement projects expenditures of SAR 1,313 Bn and revenues of SAR 1,147 Bn, resulting in a deficit of 3.3% of GDP. Expansionary fiscal policies will continue to support Vision 2030 objectives and economic diversification. Medium-term forecasts expect revenues to rise to SAR 1,294 Bn and expenditures to reach SAR 1,419 Bn by 2028. Fiscal flexibility is underpinned by accelerated project implementation and counter-cyclical spending. Financing will be sourced from bonds, sukuk, loans, and export credit. [Ministry of Finance – Read more](#).

### Saudi Arabia to lift ban on full foreign ownership of companies

The Capital Market Authority has indicated that restrictions on foreign ownership of listed companies, currently capped at 49%, may soon be lifted. Removing this limit could unlock billions of dollars in international investment and facilitate freer movement of global capital into the Kingdom. Markets reacted immediately to the Bloomberg report, with stocks rising by USD 123 Bn in value. This move represents a significant step under Vision 2030 to build a diversified and resilient economy. [Gulf News – Read more](#).

### Fitch Ratings project KSA's fiscal deficit to improve in 2026

KSA's 2026 pre-budget statement signals a tighter fiscal stance following a sharp deficit rise to 5.3% of GDP in 2025—higher than expected due to lower oil revenues and Vision 2030-related spending. Despite this, total spending is set to decline in 2025. The 2026 deficit is forecast to improve to 3.3% of GDP, supported by stronger non-oil growth and stable oil revenues. Fitch expects deficits to steadily decline through 2028, with debt-to-GDP rising slightly but remaining low for its rating. High spending commitments and lower oil prices could threaten the fiscal consolidation path. [Fitch Ratings – Read more](#).

### Large gold mine discovered in Mecca

The Saudi Arabian Mining Company Ma'aden has announced a major new discovery of high-grade gold reserves spanning a 125km gold belt in the Makkah region. The size of this discovery is comparable to some of the world's largest gold belts, which range from 90km to 650km. This find could significantly enhance Saudi Arabia's mineral wealth, supporting Vision 2030 by diversifying the economy and attracting global investment in the non-oil sector. [The News International – Read more](#).

## Latest news (2/2)

# SAUDI ARABIA

### Reforms allow foreign universities to set up branches in KSA

In 2023, the Kingdom introduced new rules allowing foreign university branches to establish campuses in Saudi Arabia under a licensing regime. As of October, seven universities have announced plans to open campuses by 2026 or 2027. These regulations support KSA's goal of attracting SAR 50 Bn in education investment by 2030 and increasing private sector participation. They aim to meet the needs of a growing youth population and upskill the workforce in high-demand areas like AI, robotics, and advanced manufacturing, preparing Saudi Arabia's talent for the future. [Pinsent Masons](#) – [Read more](#)

### Reshaping labor rights for migrant workers

Saudi Arabia has officially abolished the Kafala (sponsorship) system for migrant workers, granting them freedom to change jobs and travel abroad without prior employer consent. This reform reduces exploitation risks and signals progress in liberalizing the Kingdom's economy. Foreign investors often prioritize labour market flexibility and worker rights, and ending Kafala enhances Saudi Arabia's competitiveness as a destination for foreign direct investment and regional headquarters compared to other GCC countries with restrictive sponsorship rules. [Middle East Briefing](#) – [Read more](#).

### National program to upskill 100k Saudis in AI

Saudi Arabia is launching a national program to certify 100,000 citizens in essential AI and data skills. Sponsored by the Ministry of Communications and Information Technology (MCIT), this upskilling initiative is part of a broader strategy to train one million Saudis in AI. By empowering students, professionals, and executives to utilize advanced data analytics, the program directly supports Vision 2030's goal of transforming the Kingdom into a global technology leader, fostering sustainable economic growth and future competitiveness. [Arab News](#) – [Read more](#).

### PIF led consortium buys gaming giant Electronic Arts (EA) Sports

The Public Investment Fund (PIF), together with US-based Silver Lake and Affinity Partners, announced a USD 55 Bn acquisition of EA Sports, the publisher behind major franchises such as FIFA (now EA Sports FC), The Sims, etc. This represents one of the largest M&A deals of 2025, with the investor group offering USD 210 per share—a 25% premium over the recent stock price. The acquisition positions PIF at the forefront of the interactive entertainment industry and supports Saudi Arabia's efforts to build a globally competitive gaming and entertainment ecosystem. [Gulf News](#) – [Read more](#).

### New localization policies for tourism sector introduced

KSA has introduced new localization policies for its tourism sector, mandating that all hospitality facilities employ a Saudi receptionist during working hours, register all employees on official government platforms, and prohibit outsourcing of localization-subject positions to entities outside the Kingdom. These regulations aim to enhance employment opportunities for Saudis in tourism and improve service quality. They form part of broader regulatory reforms, including the recent decision to increase wage subsidies for tourism workers from 30% to 50%. [Arab News](#) – [Read more](#).

### Tax reform for taxes on sweetened drinks from 2026

Saudi Arabia plans to replace its flat 50% excise tax on sweetened drinks with a tiered volumetric system starting January 2026. Under the new system, taxes will be based on the sugar content per 100ml, meaning sweeter drinks will face higher taxes, incentivizing manufacturers to reduce sugar levels. This policy shift aims to improve public health and supports Vision 2030's goal of building a vibrant society with a better quality of life. [Gulf News](#) – [Read more](#).

# Spotlight

## The potential economic implication of the rent freeze in Riyadh



**Rental prices have been the main driver of inflation in KSA, particularly in Riyadh, since COVID-19...** Housing and utilities prices constitute a significant part of the cost of living in KSA, with inflation in this category rising from 6.5% in 2019 to 10.0% in 2024. Increasing rent across the Kingdom is a major contributing factor. In September 2025, actual housing rents rose by 6.7% YoY across KSA. The largest increase was in Riyadh, where rents climbed 13.8% YoY, significantly contributing to the capital's inflation rate rising to 3.4% over the same period.<sup>1</sup>

The increase in rental prices in Riyadh and across KSA has been driven by a range of demand and supply factors, including rising inflows of expatriate workers and internal migration, partially attributed to PIF led urban redevelopment projects under Vision 2030, as well as pressures on input costs, among others.

Additionally, the recently launched Riyadh Metro has likely contributed to surges in rents and property prices in the capital, particularly in metro-connected neighborhoods, by stimulating demand through improved access to public transportation and reduced commute times.<sup>2,9</sup>



### KSA introduced new regulations to stabilize rental prices amid housing affordability concerns in Riyadh, as part of broader efforts to rebalance the real estate market...

Approved by the Cabinet and enacted by royal decree, KSA introduced new regulations to stabilize rental prices in the capital, including a five-year freeze on rent increases for residential and commercial properties within the city, effective from 25 September 2025. The measures aim to address rising costs, promote market balance, and ensure fairness. The Saudi Real Estate General Authority has announced plans to consider extending the rent freeze to all regions across the Kingdom for five years.<sup>3,4</sup>



### Predictable housing costs make it easier to attract and retain both local and international talent, which could help improve KSA's global competitiveness rankings...

According to the latest data, the Kingdom ranked 48th on the 2023 Global Talent Competitiveness Index, behind regional neighbors, notably the UAE (23rd) and Qatar (35th). The rental freeze, alongside other social welfare and real estate reforms—such as the recent abolishing of the Kafala system<sup>8</sup> and permitting foreign ownership of property in areas such as Riyadh from January 2026<sup>6</sup>—could enhance KSA's talent competitiveness by improving quality of life and increasing openness and inclusion for foreign professionals. They have the potential to encourage skilled individuals to relocate both within KSA and from abroad to pursue better job opportunities and progress financially.

For companies, commercial rental stability provides confidence to establish or expand operations by lowering financial risks through reduced uncertainty around operating costs. Additionally, since countries with a higher proportion of skilled talent tend to demonstrate stronger innovation capacity, higher economic growth, and greater competitiveness<sup>10</sup>, improving talent attraction could enable KSA to offer businesses access to a larger pool of quality skilled workers. In turn, this could help companies innovate, increase productivity, and expand more effectively, while also attracting greater foreign direct investment (FDI) within the Kingdom.

By implementing the rent freeze alongside other reforms to improve quality of life, KSA can build and attract a skilled workforce that drives innovation, boosts foreign investment, and supports sustainable growth in key strategic industries—accelerating progress towards Vision 2030 and economic diversification.

**Sources:** 1 GASTAT - Inflation rate ; 2 Riyadh Metro on its way to reshaping the city ; 3 Saudi Arabia freezes rent hikes in Riyadh for five years amid price surge ; 4 Saudi Arabia announces rent freeze in Riyadh for five years ; 5 Saudi Arabia raises undeveloped land tax to 10%, expands scope to vacant properties ; 6 Saudi Arabia to allow expats to buy property from 2026? ; 7 The Global Talent Competitiveness Index 2023 ; 8 Saudi Arabia Ends Kafala System: Implications for Business ; 9 The impact of metro accessibility on residential property values ; 10 World Competitiveness Ranking 2025

## Country profile | United Arab Emirates

UAE



Saudi Arabia



United Arab Emirates



Qatar

## Key highlights



01

The IMF's upward revision of the UAE's GDP growth to 4.8% for 2025 highlights the country's robust economic resilience, driven by strong non-hydrocarbon sectors and ongoing reforms. This optimistic forecast not only outpaces global averages but also reflects confidence in the UAE's diversified economy and its ability to sustain momentum amid evolving global conditions.

02

The approval of the UAE's largest-ever federal budget for 2026, with AED 92.4 Bn in balanced revenues and expenditures, provides a strong financial foundation to support economic activity across the country. By allocating resources to key sectors and establishing a Federal Financial Support Program, the budget could help ensure that federal entities remain financially sustainable and resilient. This robust fiscal framework may enable continued investment in infrastructure, public services, and innovation, creating conditions that support sustained growth and long-term progress.

03

Across various sectors, practical initiatives are driving innovation and efficiency. Developments such as AI integration in energy, expansion of the automotive industry, improvements in business licensing, and large-scale renewable energy projects are helping to attract investment and support sustainable growth, aligning with the UAE's broader economic goals.

## Latest data releases



**54.2 (+0.9 pts)**  
MoM September 2025



**2.9% (+0.5 pp)**  
YoY September 2025



**3.8% (+0.4 pts)**  
YoY Q2 2025

### Non-Oil PMI<sup>1</sup>

The UAE's non-oil private sector strengthened in September, with the PMI rising to 54.2 – its highest level in seven months. New business grew at the fastest pace since February, driven primarily by domestic demand, while export orders remained modest. As a result, output is expanding and employment increasing at the quickest rate since May. However, firms remained cautious about inventories and pricing amid competitive pressures.

### Dubai Inflation<sup>2</sup>

Dubai's consumer price inflation rose to 2.9% YoY in September, up from 2.4% in August. Housing costs remained the primary driver at 5.8%, though housing inflation is continuing its gradual decline from earlier peaks. Recreation and culture prices surged to 4.2% after August's contraction, while transport deflation eased significantly from -3.5% in August to -0.9% in September. Food price inflation turned slightly positive at 0.2%, having been negative in the prior month.

### Abu Dhabi Real GDP<sup>3</sup>

Abu Dhabi's economy expanded 3.8% YoY in the second quarter of 2025, increasing from 3.4% in Q1. Non-oil GDP growth strengthened to 6.6% from 6.1%, demonstrating broad-based momentum. Key drivers included utilities surging 12.5%, arts and recreation increasing 12.0%, and financial services gaining 10.3%. Real estate and construction also posted robust growth at 10.2% and 9.7%, respectively. Mining activity, including oil and gas, grew modestly at 0.4%.

Source: 1 S&P Non-Oil PMI; 2 Dubai Statistics Centre; 3 Statistics Centre of Abu Dhabi

Note: pp refers to percentage point

## Latest news (1/2)

### IMF raises UAE GDP growth projections to 4.8% for 2025

The IMF has raised its UAE GDP growth forecast to 4.8% for 2025 and maintained 5.0% for 2026, owing to strong non-hydrocarbon sector growth, hydrocarbon recovery, and strong performance in key industries such as tourism and construction. The UAE's growth is expected to outpace global and regional averages for 2025 and 2026. This strong economic momentum is driven by UAE's success in economic diversification and expanding exports and strong reserves allowing it to withstand potential risks. This underscores continued confidence in the UAE's economic resilience and expansion. [Economy Middle East – Read more.](#)

### Dubai investors will get license in 17 seconds through AI-revamped platform

The 'Invest in Dubai' digital platform will soon enable investors to obtain business licenses within 17 seconds using new Agentic AI technology, enhancing application review and approval processes. This upgrade, part of Dubai's Economic Agenda (D33), automates document validation and integrates approvals from multiple government bodies into a single interface, streamlining license issuance. Since 2021, the platform has facilitated over 1.3 Mn transactions and supported the incorporation of nearly 281,000 new businesses. [Khaleej Times – Read more.](#)

### UAE Cabinet approves largest-ever federal budget for 2026 with USD 25.2 Bn revenues

The UAE Cabinet approved the 2026 federal budget with AED 92.4 Bn in planned expenditure, balanced with a similar estimate for revenues, marking the highest budget since the Union's establishment. The Cabinet also approved the establishment of a Federal Financial Support Program (FFSP) which involves annual budget allocations to ensure the financial sustainability and resilience of federal entities. These initiatives come as part of UAE's efforts to strengthen the federal framework and reaffirm continued commitment to balanced development. [Economy Middle East – Read more.](#)

### New 'Ebtikari' platform unveiled to enhance collaboration with UAE startups

Dubai Electricity and Water Authority (DEWA) has launched the 'Ebtikari' portal to invite startups, experts, and students to propose innovative solutions for sustainable and efficient utility services. The platform encourages collaboration by allowing participants to pilot projects and contribute to DEWA's transformation into a more agile organization. This initiative supports Dubai's goal of fostering innovation, engaging the community, and preparing future talent in the energy and utilities sector. [Dubai Forum – Read more.](#)

### UAE approves new trademark fee structure to attract investors and support SMEs

The UAE Cabinet approved a new trademark fee structure featuring reduced fees, faster procedures, and new services to support Small and Medium-sized Enterprises (SMEs), People of Determination, and attract investors. The changes include a 50% fee reduction for National SME Program members, full exemptions for People of Determination, and the introduction of seven new services such as one-day trademark examination. These new initiatives come in response to the surge in trademark registrations – with a 129% increase in early 2025 – and aim to sustain this growth in the UAE's intellectual property sector. [BRICS+ – Read more.](#)

### Sharjah records 361% growth in capital investment

Sharjah saw a 57% rise in FDI projects in H1 2025. Capital investment surged 361%, reaching USD1.5 Bn and job creation increased by 45%, positioning Sharjah as a leader in FDI growth among the emirates. Key sectors included consumer products, food and beverage, business services, and industrial equipment, supported by projects in housing, recycling, logistics, luxury manufacturing, and ICT training. This growth highlights Sharjah's strategic vision, economic stability, and strong investor confidence. [Emirates News Agency – Read more.](#)

## Latest news (2/2)

### UAE and Germany explore expanding cooperation in key sectors

The UAE Minister of Industry and Advanced Technology, conducted a working visit to Germany, meeting senior officials to discuss enhancing bilateral cooperation in industry, energy, advanced technology, and sustainable development. The visit focused on joint investment opportunities, industrial partnerships, sustainable transport, and digital innovation. This growing collaboration is reflected in the rise of non-oil trade between the UAE and Germany, which increased by 3.9% in 2024 and surged by 19% in the first half of 2025 as compared to the same period in 2024. [Emirates News Agency WAM](#) – [Read more](#).

### UAE breaks ground on world's largest solar and battery project

The UAE has begun construction on the world's largest renewable energy project, combining a 5.2 GW solar plant with a 19 GWh battery storage system to deliver one gigawatt of continuous clean energy by 2027. Developed by Masdar and Emirates Water and Electricity Company (EWEC), the AED 22 Bn project aims to cut 5.7 Mn tons of carbon emissions annually and create over 10,000 jobs. It seeks to address energy intermittency, support sustainable growth, and set a global benchmark for renewable power and storage innovation. [ARN News Center](#) – [Read more](#).

### Abu Dhabi advances energy innovation through AI partnership with MBZUAI

The Abu Dhabi Department of Energy (DoE) and Mohamed Bin Zayed University of Artificial Intelligence (MBZUAI) signed a Memorandum of Understanding (MoU) to collaborate on integrating AI and machine learning in the energy sector. The partnership aims to drive innovation, improve operational efficiency, and support data-driven policymaking through AI-enabled solutions, data exchange, and advanced simulations. This initiative supports Abu Dhabi's goal of a secure, sustainable energy future aligned with the UAE's Net Zero 2050 target. [Economy Middle East](#) – [Read more](#).

### World Bank praises UAE for empowering women and youth through labor reforms

The World Bank has recognized the UAE as a leading global model in human development for empowering women and youth through labor law reforms that enhance work-life balance and workforce participation. The UAE's policies include flexible work arrangements, enhanced parental leave, and adaptable visa options, supporting inclusive economic growth and gender balance. Women now represent nearly half of the public sector workforce and hold over 50% of leadership roles in government entities, reflecting the country's focus on emerging sectors and national equality efforts. [Economy Middle East](#) – [Read more](#).

### Abu Dhabi's strategic agreement to drive growth in automotive manufacturing sector

Abu Dhabi Investment Office (ADIO) and Abu Dhabi Ports Group signed a strategic agreement with automotive manufacturer Stellantis to develop an integrated automotive ecosystem supporting Abu Dhabi's vision as a hub for automotive exports, technologies, and innovation. The partnership targets expansion into Middle East and Africa markets, development of autonomous taxi solutions, and R&D in next-generation mobility. It supports ADIO's Automotive Sector Program to enhance automotive exports, smart logistics, and industry growth in Abu Dhabi. [Abu Dhabi Media Office](#) – [Read more](#).

### Dubai's property market exhibits higher growth in apartments

Dubai's residential real estate market in Q3 2025 showed higher demand for apartments, with 55,280 transactions worth AED 139.7 Bn, driven mainly by a 28% rise in apartment sales, especially off-plan units. Villa and townhouse sales declined, while the rental market remained strong with a 92% increase in leasing transactions. Investor activity dominated purchases, and the market is shifting focus towards mid- to upper-mid apartments as luxury sales ease. [Khaleej Times](#) – [Read more](#).

# Spotlight

## UAE's largest budget



**The 2026 federal budget increases materially while maintaining fiscal discipline...** The UAE Cabinet approved an AED 92.4 Bn plan for 2026—about 29% above 2025's AED 71.5 Bn—with planned revenues set to match planned expenditures in line with established practice.<sup>1,2</sup> As the final year of the 2022–26 cycle, the budget largely maintains existing priorities rather than introducing new policy directions.<sup>3</sup> The larger budget, however, should allow for deeper funding of current programs, which should support continued economic momentum and service quality.<sup>1,7</sup>



**The 2026 spending allocation emphasizes people-facing services and core government capacity...** The government's published functional allocation dedicates AED 34.8 Bn to social development and pensions (37%), AED 27.1 Bn to government affairs (29%), AED 15.4 Bn to financial investments (17%), AED 12.7 Bn to other federal agencies (14%), and AED 2.6 Bn to infrastructure and economic development (3%).<sup>2</sup> Social programs and government operations together represent about two-thirds of total spending, underscoring emphasis on education, healthcare, and social transfers. The "financial investments" category represents allocations intended to build future earnings or strategic capacity – often via entities such as the Emirates Investment Authority, Emirates Development Bank, and transformational projects like Etihad Rail.



**The most notable change from 2025 is the more-than-fivefold rise in financial investments...** This line increases from 4% (AED 2.9 Bn) in 2025 to 17% (AED 15.4 Bn) in 2026, suggesting a strategic tilt toward building assets and institutional capabilities that can generate future returns or provide buffers in downturns.<sup>2,4</sup> The share for other federal agencies declines from 18% to 14%, possibly reflecting consolidation or efficiency gains. Infrastructure appears broadly flat at around AED 2.6 Bn, which likely reflects that many large transport projects are currently being financed and delivered by emirate authorities, while the federal level focuses on federal linkages.<sup>2,4</sup>



**The budget framework balances near-term delivery with long-term institutional strength...** The FFSP continues to provide a stabilization tool for federal entities during shocks—an attribute that may gain importance as exposure to investment activity rises, while oil prices continue their decline year-to-date.<sup>2,3,8</sup> This combination of expanded investment capacity alongside formal support mechanisms suggests the government is positioning to pursue higher-return opportunities while maintaining fiscal discipline. The overall approach to the budget aligns with 'We the UAE 2031' goals on competitiveness and quality of life, and is likely to be delivered in a steady, programmatic manner.<sup>6</sup>

**Sources :** 1 Reuters (2026 Budget); 2 Dubai Eye; 3 UAE MoF Annual Report 2025; 4 UAE MoF 2025 Federal Budget; 5 WAM; 6 UAE Government Portal; 7 Reuters (2022-26 Budget).; 8 EIU Oil Price Vulnerability Index

## Country profile | Qatar

QATAR



Saudi Arabia



United Arab Emirates



Qatar

## Key highlights



01

The non-energy PMI decreased slightly from 51.9 in August 2025 to 51.5 in September 2025, reflecting slightly slower but sustained growth. Additionally, non-energy PMI averaged 51.6 over Q3 2025, stronger than in the preceding two quarters, underscoring the strong momentum in Qatar's non-energy economy.

02

The IMF has forecasted that Qatar's economy will grow by 2.9% in 2025 before accelerating to 6.1% in 2026, reaffirming projections of accelerating growth in the medium term as LNG production and exports rise, attributable to the North Field project.

03

Qatar has recently announced a long-term residency visa for foreign investors in Qatar's real estate sector, reinforcing efforts and initiatives from earlier in the year to grow the sector and make it more appealing for investors.

## Latest data releases



51.5 (-0.4 pts)  
MoM September 2025



1.1% (-0.1 pp)  
YoY September 2025

### Non-energy PMI<sup>1</sup>

The non-energy PMI decreased by 0.4 points to 51.5 in September 2025, signaling a slightly slower rate of growth in the non-energy private sector, attributed to weakness in new orders and faster suppliers' delivery times, leading to fewer outstanding orders. Nevertheless, the overall improvement in business conditions was underpinned by steady growth in employment, output and inventories in September.

### Headline inflation<sup>2</sup>

Headline inflation stood at 1.1% in September 2025, compared to 1.2% in September 2024, marking the highest inflation rate recorded thus far in 2025. Prices in six out of the twelve sub-sectors increased YoY, led by clothing (2.9%), education (2.5%) and recreation (1.5%). Nevertheless, price YoY fell in sectors like hospitality (-1.5%), transportation (-1.1%) and utilities (-9.2%). Activities falling within the miscellaneous category also recorded significant price growth (12.6% YoY).

Sources: 1 S&P Global ; 2 NPC

Note: pp refers to percentage point

## Latest news (1/2)

### **Qatar-India Joint Business Council convenes in Doha, stresses strategic partnership**

A joint business council meeting between representatives from the private sector from both Qatar and India took place in Doha in October. Qatar is India's largest gas supplier, with Qatari exports reaching USD 6.9 Bn during 2024-2025, representing 26% of India's total gas imports. Qatar also imports numerous Indian products in a variety of sectors such as technology, manufacturing, food products, pharmaceuticals. This meeting took place in the context of ongoing negotiations between the two countries on a free trade agreement (FTA). [The Peninsula - Read more.](#)

### **Qatar ports see robust growth momentum in nine-month period**

Hamad, Ruwais and Doha ports have demonstrated strong performance over the past nine months (January to September). During this period, the ports handled 1.1 Mn containers, up nearly 2.0%, and received 2,276 vessels, up 11%, compared to the same period last year. Trans-shipment cargo volumes also grew by 7.0% YoY, reinforcing Hamad Port's position a key regional hub for re-exports. Qatar's ports serve as a transit point between markets in Asia, Africa and the Middle East, contributing to reducing cargo transit time whilst also supporting the country's diversification agenda. [The Peninsula - Read more.](#)

### **IMF forecasts Qatar GDP to grow by over 6% in 2026**

Qatar's real GDP growth is projected to be 2.9% this year and 6.1% in 2026, the IMF revealed in its World Economic Outlook on the occasion of the annual meetings of the IMF and the World Bank Group. Qatar's current account balance is expected to be 10.8% of GDP this year and 10.2% of GDP in 2026. Meanwhile, inflation is projected to be 0.1% this year and accelerate to 2.6% in 2026. These forecasts reaffirm the acceleration in growth widely predicted for the Qatari economy as the North Field LNG expansion project progresses, boosting LNG exports in the medium term. [IMF - Read more.](#)

### **Cityscape Qatar concludes with real estate projects worth over QAR 400 Mn on offer**

Qatar's largest real estate event took place at the Doha Exhibition and Convention Center (DECC) in October 2025, bringing together leading local and international real estate companies. The exhibition served as a platform for investors and homebuyers to gain deeper insights into Qatar's property market before making investment decisions and was estimated to have attracted more than 15,000 visitors. It featured over 80 exhibitors from Qatar, Saudi Arabia, the UAE, Bahrain, Kuwait, Egypt, and Georgia. The event may be seen in the wider context of promoting Qatar as an investment destination under Vision 2030. [The Peninsula - Read more.](#)

### **Qatar Central Bank's foreign currency and gold reserves surge**

Qatar Central Bank (QCB) reported a 3.1% YoY growth in its foreign currency reserves and liquidity in September 2025, reaching QAR 261.1 Bn compared to QAR 253.2 Bn in September 2024. This increase reflects Qatar's continued financial stability and resilience amid global economic fluctuations, reinforcing the strength of the nation's monetary position. Furthermore, QCB's gold reserves surged by 52.7% to reach QAR 52.0 Bn, reflecting ongoing asset diversification that enhances QCB's capacity to meet foreign obligations and manage exchange rate policies effectively. [Economy Middle East - Read more.](#)

### **Qatar, World Bank sign agreement to establish office in Doha**

Qatar has signed an agreement with the World Bank Group to establish an office in Doha that will serve the State of Qatar and support the wider region. This initiative comes within the framework of strengthening bilateral cooperation and supporting economic development efforts across the region. It also reflects commitment to deepening its international partnerships with leading financial institutions and serving as a key regional hub for economic and financial development and dialogue. [Qatar News Agency - Read more.](#)

## Latest news (2/2)

### Strategic partnership with Djibouti to expand influence in East Africa

Qatar and Djibouti signed two MoUs to strengthen cooperation across sectors including health, infrastructure, energy, and education. Building on existing ties in ports, logistics, and humanitarian aid, the countries have worked for months to deepen relations following meetings in June and September. Through this partnership, Doha aims to expand its economic and diplomatic influence in East Africa, where Djibouti serves as a strategic maritime hub linking Africa, the Middle East, and Asia. [Ecofin Agency](#) - [Read more](#).

### Qatar welcomed 3.5 Mn visitors in the first nine months of 2025

Qatar Tourism reported a 2.2% rise in visitors during the first nine months of 2025, reaching 3.5 Mn, with GCC countries as the top source market, followed by Europe (25%) and Asia and Oceania (22%). The third quarter saw strong growth from China and Australia. As Qatar enters the final quarter, Visit Qatar will launch a diverse program of sports, cultural, and entertainment events under the Qatar Calendar 2025–2026, including the Doha Military Music Festival, Formula 1 Qatar Grand Prix, and FIFA tournaments, supporting economic diversification and cultural development under the Third National Development Strategy. [Qatar News Agency](#) - [Read more](#).

### Snap Inc. opens new Doha office, reflecting Qatar's rising appeal to global firms

Snap Inc. has opened a new office in Doha, highlighting Qatar's growing role as a regional hub for digital industries and creative talent in the MENA region. This move reaffirms global confidence in Qatar's advanced infrastructure and innovation-driven environment, aligning with its National Vision 2030 goals to boost innovation and the creative economy. The new office also strengthens Snap Inc.'s strategic partnership with Qatar, which began three years ago, underscoring the country's commitment to fostering innovation, attracting top talent, and leading digital transformation in the region. [Qatar News Agency](#) - [Read more](#).

### The manufacturing sector's contribution to GDP reached QAR 26.8 Bn in H1 2025

In the first half of 2025, Qatar's manufacturing sector contributed QAR 26.8 Bn to GDP, with QAR 13.4 Bn added in the second quarter alone. The Ministry of Commerce and Industry's third quarterly review highlighted significant progress, including the implementation of the Qatar–Turkiye economic partnership, the launch of new digital services, and improvements in business registration processes. These developments align with Qatar's National Vision 2030, focusing on economic diversification, digital transformation, and improved service quality. [Qatar News Agency](#) - [Read more](#).

# Spotlight

## Qatar's evolving real estate strategy



**Real estate is increasingly becoming a key pillar of Qatar's economic diversification efforts...** The total number of real estate sale contracts registered in Qatar increased by 36.1% in the first half of 2025 compared to the first half of 2024; the total value of these contracts also increased by 15.5% in the same period.<sup>1</sup> Additionally, the sector grew by 1.0% and 7.0% YoY in Q2 and Q1 of 2025, respectively, accounting for 7.2% of total GDP.<sup>2</sup> The sector's contribution to total GDP is now 20.0% higher than two years ago, further underscoring its importance to the overall economic diversification agenda.<sup>3</sup> The sector's growth and activities are now evolving beyond residential housing into commercial, logistics, and hospitality developments - creating strong links across construction, finance, and services in line with Qatar National Vision 2030.



**Qatar is currently in the midst of reforming real estate registration laws aimed at easing the process of investing in real estate in Qatar...** One of the most noteworthy steps was the full implementation of Law No. 5 of 2024, which introduced the electronic registration of real estate transactions beginning in early 2025. The law allows property buyers, sellers, and developers to complete verification and contract processes entirely online—reducing delays and paperwork while improving transparency. It also introduced secure blockchain-based data storage, ensuring all ownership records are digitally verifiable.<sup>4</sup> The Real Estate Regulatory Authority (Aqarat) also launched a comprehensive national real estate strategy in March 2025 to professionalize and digitize the sector and make it more appealing for investors. Key mechanisms introduced were a real estate development registry for enhanced transparency, an escrow account framework to protect buyers' funds, and a dispute resolution committee to accelerate conflict settlement.<sup>5</sup>



**Qatar has also announced a long-term residency visa linked to real estate investments...** The Real Estate Investment Residency Program is a new scheme designed to attract global investors whilst also boosting property transactions. Under this scheme, foreign buyers investing at least USD 200,000 (QAR 728,000) are eligible for a temporary residency permit, while investments of USD 1 Mn (QAR 3.65 Mn) qualify for permanent residency. The program enables buyers to secure both residency and a property title deed within days through a new one-stop digital platform operated by Aqarat in cooperation with the Ministries of Interior, Justice, and Labor, reflecting a whole-of-government effort to simplify ownership procedures and attract foreign investors.<sup>6</sup> These investor visas also offer significant advantages, such as access to Qatar's public healthcare and education facilities. It also enables Qatar to compete with the likes of the UAE, which has a well-established residency-by-investment program.<sup>7</sup> These policy initiatives emphasize the importance of real estate as a key driver for growth and a vehicle to leverage Qatar's economic stability and business environment to attract foreign investors.

# Acronyms and explanations of key terminologies

## Acronyms and explanations of key terminologies (1/4)

1

### GDP – Gross Domestic Products<sup>1</sup>

*Total value of all final goods and services produced within a country over a specific period.*

2

### Real GDP – Real Gross Domestic Products

*Inflation-adjusted measure of the value of all final goods and services produced within a country's borders during a specific period, reflecting actual changes in output without the influence of price fluctuations.*

3

### Non-Oil PMI – Non-Oil Purchasing Managers' Index<sup>2</sup>

*Measures the performance and business conditions of the non-oil private sector. A PMI reading over 50 represents non-oil sector expansion, and below 50 represents contraction compared to the month prior.*

4

### CPI – Consumer Price Index<sup>3</sup>

*Measures changes in the prices of goods and services for specific household groups, calculated as weighted averages of price changes for a specified basket of consumer products.*

5

### Inflation Rate<sup>4</sup>

*Change in the price of basket of selected goods and services typically purchased by specific groups of household over one year. Often derived from changes in the CPI.*

6

### Unemployment Rate<sup>5</sup>

*Unemployment rate is the share of the labour force without work. Unemployed people are those of a working age who do not have a job, are available for work and have taken steps to find a job in the past four weeks.*

7

### FDI – Foreign Direct Investment<sup>6</sup>

*Investment from a party in one country into a business or corporation in another country with the intention of establishing a lasting interest*

8

### Budget Balance<sup>7</sup>

*The difference between a government's revenues and expenditure.*

9

### IMF – International Monetary Fund<sup>8</sup>

*International organization that promotes financial stability and economic cooperation among its 190 member countries.*

10

### GCC – Gulf Cooperation Council<sup>9</sup>

*Political and economic alliance of six Arab States of the Gulf that was established in 1981. It includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.*

## Acronyms and explanations of key terminologies (2/4)

11

### OPEC - Organization of the Petroleum Exporting Countries<sup>1</sup>

*Multinational organization that was established to coordinate the petroleum policies of its members, among others. OPEC+ includes OPEC members plus 10 additional oil-producing countries, including Russia.*

12

### S&P Global – Standard & Poor Global<sup>2</sup>

*Leading global financial services company that provides credit ratings, research, and analysis on various financial instruments and entities, helping investors, businesses and governments make informed decisions.*

13

### PIF - Public Investment Fund<sup>3</sup>

*KSA's sovereign wealth fund, established to invest in projects and initiatives globally and locally. It is a key driver of KSA Vision 2030.*

14

### ADNOC – Abu Dhabi National Oil Company<sup>4</sup>

*Leading diversified energy group, wholly owned by the Abu Dhabi Government. It is one of the leading energy producers and a primary catalyst for the growth and diversification of the Emirate's economy.*

15

### QIA – Qatar Investment Authority<sup>5</sup>

*Qatar's sovereign wealth fund which was founded in 2005 to strengthen the country's economy by diversifying into new asset classes.*

16

### KSA Vision 2030<sup>6</sup>

*Government program launched by KSA in 2016 to achieve the goal of increased diversification economically, socially and culturally.*

17

### We the UAE 2031<sup>7</sup>

*National plan launched in 2022 aimed at enhancing the UAE's position as a global partner and an attractive economic hub for the next 10 years. It focuses on social, economic, investment and development aspect.*

18

### QNV 2030 – Qatar National Vision 2030<sup>8</sup>

*Development plan launched in 2008 to achieve sustainable development and prosperity through four interconnected pillars: Human, Social, Economic and Environmental.*

19

### NDS3 – Third National Development Strategy<sup>9</sup>

*Development plan launched in 2024 that outlines the strategic priorities and framework for the next final phase of Qatar's development journey towards realizing the Qatar National Vision 2030 (QNV 2030).*

20

### CEPA - Comprehensive Economic Partnership Agreement<sup>10</sup>

*Comprehensive trade agreement to strengthen economic ties and deepen cooperation between two or more countries*

## Acronyms and explanations of key terminologies (3/4)

21

### MoU – Memorandum of Understanding<sup>1</sup>

*An agreement between two or more parties outlined in a formal document. It is generally seen as a starting point for negotiations and often found in international relations.*

22

### CAGR – Compounded Annual Growth Rate<sup>2</sup>

*The compound annual growth rate is the rate of return that an investment would need to earn every year, accounting for compounding, in order to grow from its beginning balance to its ending balance.*

23

### LNG – Liquified Natural Gas<sup>3</sup>

*Natural gas that has been cooled to liquid form for ease and safety of non-pressurized storage or transport.*

24

### AI – Artificial Intelligence<sup>4</sup>

*Technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy.*

25

### FTA – Free Trade Agreement<sup>5</sup>

*An international treaty between two or more countries to reduce or eliminate barriers, such as tariffs and trade restrictions, to encourage the free flow of goods and services between them.*

26

### FFSP - Financial Support Programme<sup>6</sup>

*A Cabinet-approved program, reinforced annually via federal-budget allocations, that provides financial support to federal entities to strengthen financial sustainability and institutional resilience.*

27

### FIFA - Federation Internationale de Football Association<sup>7</sup>

*The international self-regulatory governing body of association football, beach soccer, and futsal.*

28

### PPP – Public Private Parternships<sup>8</sup>

*A PPP, or Public-Private Partnership, is a collaborative arrangement between a government/public entity and a private sector company to finance, design, build, and operate public assets or services.*

29

### SAR – Saudi Riyal<sup>9</sup>

*Represents the official currency of Saudi Arabia, pegged to the USD at a fixed exchange rate of approximately 3.75 SAR to 1 USD.*

30

### AED – Arab Emirates Dirham<sup>10</sup>

*Represents the official currency of the United Arab Emirates, pegged to the USD at a fixed exchange rate of approximately 3.67 AED to 1 USD.*

## Acronyms and explanations of key terminologies (4/4)

31

### QAR - Qatari Riyal<sup>1</sup>

*Represents the official currency of Qatar, pegged to the USD at a fixed exchange rate of approximately 3.64 QAR to 1 USD.*

32

### YoY – Year-on-Year

*Measures the difference or percentage change between the value in the current year and the value in the previous year.*

33

### QoQ – Quarter-on-Quarter

*Measures the difference or percentage change between the value in the current quarter and the value in the previous quarter.*

34

### MoM – Month-on-Month

*Measures the difference or percentage change between the value in the current month and the value in the previous month.*

35

### PP – Percentage Points

*Unit of measurement used to describe the difference between two percentages.*

36

### PTS – Points

*Unit of measurement used to describe the difference between two scores, levels, or other quantifiable metrics*



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