

MEcon monthly updates Saudi Arabia, UAE and Qatar

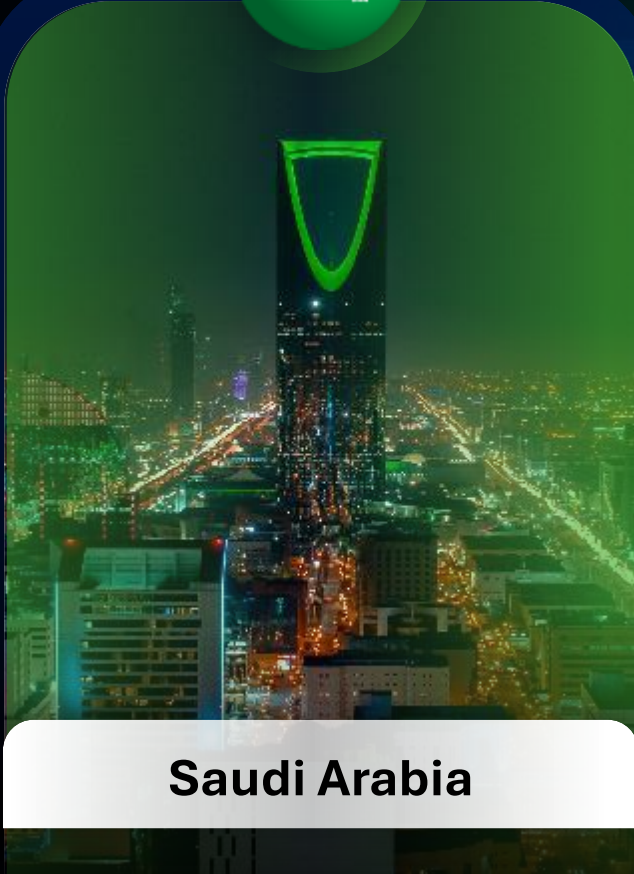
August 2025

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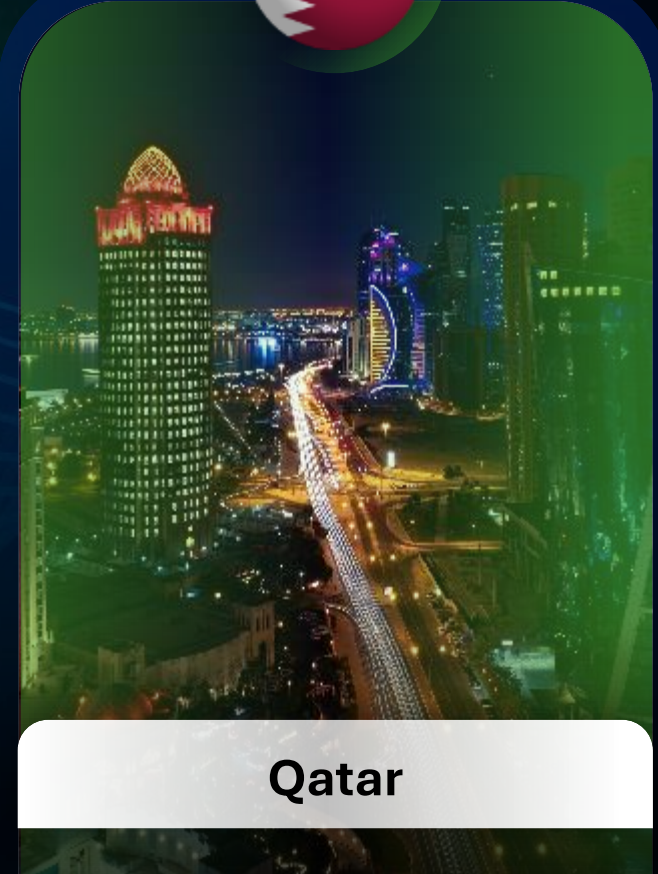
Country profile | Overview



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 27th of August 2025

Country profile | Saudi Arabia

SAUDI ARABIA

الجمهورية العربية السعودية



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

SAUDI ARABIA



01

Real GDP grew by 3.9% YoY in Q2 2025 driven by strong performance in both non-oil and oil activities. This is higher than the IMF's 2025 estimate of 3.6% for KSA, with growth likely to surpass expectations if momentum continues into the second half of 2025. Oil growth is likely due to increased production following OPEC+'s decision to unwind production cuts. The non-oil sector continued to grow in July 2025 but faced a loss of momentum, as the Purchasing Managers' Index (PMI) fell by 0.9 pts to 56.3.

02

While the oil sector grew due to increased production, oil revenues remains weak due to lower oil prices. The Saudi government, alongside the Public Investment Fund (PIF), has cut and reprioritized spending, particularly on infrastructure developments. This includes scaling back investments in major projects like NEOM, while redirecting resources towards impactful initiatives such as infrastructure to support major events like Expo 2030 and the 2034 FIFA World Cup..

03

KSA is also reprioritizing spending to enhance its transport system and services in areas beyond Riyadh and Jeddah, such as Tabuk and Taif, to improve their appeal and development. These efforts aim to enhance livability, create economic opportunities, and boost tourism attraction, aligning with Vision 2030 objectives.

Latest data releases (1/2)

SAUDI ARABIA



Sources: 1 [GASTAT – Real GDP](#); 2 [GASTAT Annual inflation](#) ; 3 [Trading Economics - KSA Non-Oil PMI](#), 4 [MoF-Budget](#)

Note: pp refers to percentage point

Latest data releases (2/2)

SAUDI ARABIA



SAR 27.5 Bn (+22.1%)
YoY Jun' 2025

Non-oil exports^{5,*}

In June 2025, Saudi Arabia's total trade balance rose by 10.6% YoY, reaching SAR 22.1 Bn, driven by a 3.7% increase in merchandise exports that outweighed a 1.7% rise in imports. The growth in exports was primarily due to a 22.1% YoY increase in non-oil exports, including chemical products and re-exports like food products. Although oil exports declined by 2.5% during the same period, they saw a significant increase of 19.3 pp compared to May.

Sources: 5 [GASTAT Non-Oil Exports](#)

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

Latest news (1/2)

SAUDI ARABIA

Aramco recording profit amid market volatility

Saudi Aramco reported a net profit of SAR 85 Bn for Q2 2025, showcasing operational strength amid market volatility. The first half net profit was SAR 183 Bn, bolstered by robust cash flows and reliable supply. Despite geopolitical challenges and weaker oil prices, Aramco maintained 100% supply reliability and advanced key projects. It expects oil demand in H2 2025 to exceed the first half by over 2 Mn barrels per day. Aramco continues to invest in upstream and downstream growth, including solar and wind projects, while pursuing innovation in carbon capture and renewables to enhance operating cash flow. [Arab News – Read more.](#)

PIF scaling back on giga-projects

Saudi Arabia's PIF has recorded a SAR 8 Bn write-down on its giga-projects under Vision 2030, valuing them at SAR 211 Bn by the end of 2024, over 12% less than SAR 241 Bn in 2023. This reflects cost overruns, delays, and market shifts, notably affecting NEOM, the mega-city project. NEOM has been scaled back as KSA prioritizes infrastructure for events like the 2034 World Cup. The recalibration is necessary amid weaker oil revenues to prevent resource misallocation. [Reuters – Read more.](#)

Esports Nations Cup to be held in Riyadh

Building on the momentum of the Esports World Cup held in Riyadh, the Esports World Cup Foundation announced the Esports Nations Cup which will be held in Riyadh in November 2026. This will be a new tournament where players represent countries instead of professional clubs. Holding Esports events is a key part of Saudi Arabia's National Gaming and Esports Strategy which aims to make the Kingdom a global hub for the video game industry by 2030 and empower the Kingdom's young population to build careers and skills in the industry. [Arab News – Read more.](#)

Launching of new pension and saving plans

KSA is set to introduce a voluntary pension and savings program for Saudi and foreign workers, aiming to boost household savings and reduce remittance outflows, which increased by 14% last year to SAR144.2 Bn. This initiative is part of pension reforms approved in July 2024, enhancing long-term financial sustainability by adjusting retirement age, contribution periods, rates, and benefits. With 12.8 Mn social insurance subscribers, 77% of whom are expatriates, the program is expected to significantly enhance savings and curb external remittances. [Zawya – Read more.](#)

Boosting development and appeal of Taif City

GIB Capital, an asset management firm, has announced its management of the "Al Wuroud 2" fund, a closed-end private real estate fund with investments exceeding SAR 1.5 Bn. The fund focuses on developments in Taif City, including its commercial, residential, and tourism zones. GIB Capital aims to create investment opportunities that contribute to Taif City's development, enhancing its appeal to investors and supporting growth in the tourism, entertainment, and hospitality sectors. [Construction Week – Read more.](#)

Projects worth SAR 4.3 Bn launched in Tabuk

Tabuk's governor has launched 23 environmental, water, and agricultural projects valued at over SAR4.3 Bn and laid the foundation for an additional 25 projects worth more than SAR 580 Mn. This initiative aims to enhance services for residents, bolster water and environmental sustainability, and support the objectives of Saudi Vision 2030. The projects include small desalination plants along the western coast, and new water transmission systems to improve supplies in the governorates of Duba, Al-Wajh, and Umluj. [Arab News – Read more.](#)

Latest news (2/2)

SAUDI ARABIA

Surge in licenses granted for regional headquarters

In Q2 2025, KSA granted 34 licenses for regional headquarters as part of its ongoing initiative to establish itself as the Middle East's leading business hub. Since 2021, nearly 600 international companies, including Deloitte, have established bases in the Kingdom. The Riyadh Regional Headquarters Program, offering a 30-year corporate tax exemption, withholding tax relief, and regulatory support. These efforts aim to position KSA as a regional business hub and attract multinational corporations to the capital. [Arab News – Read more](#)

Bolstering the Kingdom's blue economy

KSA is actively working to protect its marine ecosystems and bolster its blue economy, which is expected to contribute SAR 22 Bn and create 100,000 jobs by 2030. A key challenge is the threat of invasive marine species from shipping and aquaculture, causing significant economic losses. To address this, King Abdullah University of Science and Technology (KAUST) has partnered with the National Center for Wildlife (NCW) to monitor and assess these species, creating a knowledge database to enhance the sustainability of the Kingdom's environmental and economic resources. [Zawya – Read more](#).

Expanding Riyadh Air's international footprints

Riyadh Air partners with Amadeus for global distribution, aiming to enhance travel experiences and support economic diversification, tourism growth, and global connectivity. The agreement includes future distribution of Riyadh Air's New Distribution Capability content, enabling the airline to offer dynamic products and controlling indirect sales as operations ramp up. This partnership supports KSA's National Aviation Strategy, targeting passenger capacity of 330 Mn annually and cargo handling of 4.5 Mn tones by decade's end. [Arab News – Read more](#).

Advancing air mobility solutions for the Diriyah project

Diriyah and The Helicopter Company, KSA's leading commercial helicopter operator, have signed a Memorandum of Understanding (MoU) to explore opportunities for integrating advanced air mobility solutions into the Diriyah project. This collaboration supports Diriyah's vision to become the world's premier cultural and tourism destination. The MoU aligns with Vision 2030, advancing national efforts to diversify the economy and enhance sectors like tourism, mobility, and infrastructure through advanced technologies and sustainable development practices. [Diriyah Company – Read more](#).

Plans to launch a driverless monorail project

Saudi Arabia plans to launch the Riyadh driverless monorail project by the end of 2025, with testing scheduled for early 2027. The monorail will accommodate 3,500 passengers per hour and support the '10-minute city' concept, where every destination is within a 10-minute commute. This will be achieved through suspended pedestrian bridges connecting all buildings, including the metro station within the King Abdullah Financial District. The project also contributes to Saudi Arabia's Vision 2030 objectives of enhancing livability in the Kingdom. [Zawya – Read more](#).

Boosting innovation through an 'AI lab'

Jeddah has launched its first "AI Lab" to boost innovation by accelerating the growth of local entrepreneurs and emerging businesses. The lab provides an immersive environment for founders to leverage AI technology and serves as a networking hub, connecting participants with innovation hubs, accelerators, and successful graduates. It also offers a "mentor connect" service for one-on-one consultations with experienced business leaders, enabling participants to learn from proven strategies and experiences. [Arab News – Read more](#).

Spotlight

Spending Cuts and Rationalization



Fluctuations in global oil prices are impacting KSA's fiscal balance... In H1 2025, KSA reported a budget deficit of SAR 93.2 Bn (3.9% of H1 2025 GDP), up from the SAR 27.7 Bn deficit recorded in H1 2024 (1.9% of H1 2024 GDP), marking the highest deficit since the pandemic.¹

Although expenditure decreased by 2.4% in H1 2025 YoY, it was insufficient to offset the 12.6% decline in revenues, primarily due to falling oil revenues. While non-oil revenue grew by 4.6% YoY, oil revenue, which constituted 53.3% of total government revenue in H1 2025, fell by 23.6%¹.

The decrease in oil revenue is likely due to weaker oil prices in that period, despite OPEC+ unwinding of oil production cuts from April 2025. KSA's Arab Light and global Brent crude prices fell by 13.6% and 15.7% YoY, respectively, reaching averages of USD 72.2 and USD 69.6 per barrel in H1 2025². This is well below IMF's estimated USD 96 per barrel required for KSA to balance its fiscal budget.

With the Kingdom re-prioritization or reducing its capital spending... In the first half of 2025, public spending decreased by 2.4% YoY, largely driven by spending cuts on infrastructure development, which declined by 31.9%, reaching SAR 67.7 Bn, and now constitutes 10.3% of total spending, down from 14.7% in the first half of 2024.¹

In H1 2025, the government increased spending in areas such as health and social development (+12.4%), economic resources (+12.3%), military (+6.7%), and public administration (+5.3%). This increase reflects KSA's prioritization of strategic sectors – such as healthcare, logistics, and tourism – as part of its 2025 budget transformation initiatives. However, despite higher spending in these areas, overall spending declined due to reduced expenditure on municipal services (-25.1%), infrastructure and transportation (-14.6%), and general items (-26.5%), which outweighed the increases.

Even outside the government, the Kingdom's entities are reconsidering high-profile projects and redirecting resources towards impactful Vision 2030 initiatives...

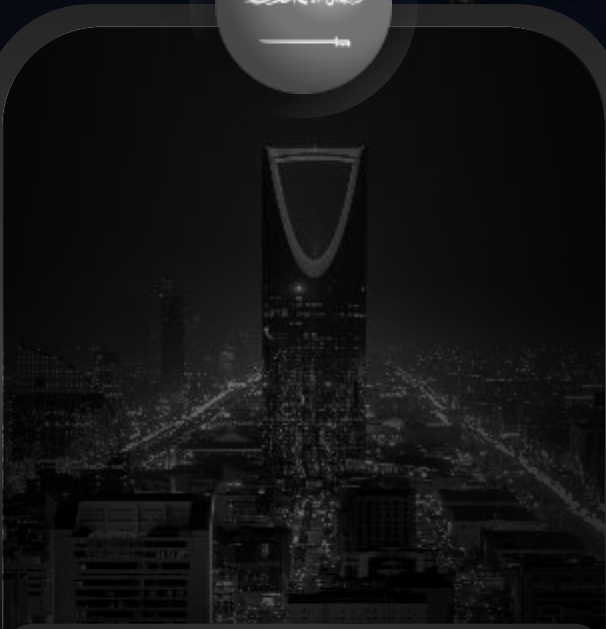
The spending cuts on infrastructure development has been observed across KSA, including PIF, which recorded a 12.4% decline in its giga-project investments, amounting to USD 8 Bn by the end of 2024 YoY. This decrease is attributed to reduced oil revenues and declining Aramco dividends, which have impacted the Fund's revenues². Over 50 development companies under PIF have been instructed to cut spending in 2025 by 20-60%². High-profile initiatives like NEOM are facing slowdowns, workforce reductions, and contractors scaling back. NEOM's sub-project, The Line, is undergoing a strategic review for cost and feasibility³. Some companies are seeking external financing to bridge funding gaps, while PIF is reviewing unannounced projects and shifting priorities to align with a maturing trillion-dollar transformation plan.

This strategic reset is a recalibration across the Kingdom to focus on timely and impactful developments such as key infrastructure for major events like Expo 2030 and the 2034 FIFA World Cup. This approach aims to prevent economic overheating, ensure fiscal sustainability, and maximize the effectiveness of every riyal spent, while also addressing fixed global deadline and reputational risks².

Sources: 1 KSA Budget Statement ; 2 Saudi gigaprojects take \$8 billion hit in reality check for diversification efforts | Reuters ; 3 Saudi Arabia hits reset on NEOM: Did costs for 'The Line' spiral out of control?

Country profile | United Arab Emirates

UAE



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

UAE



01

Latest data releases in the UAE showcase a robust commitment to diversification, with Abu Dhabi's Q1 GDP expanding by 3.4% YoY, driven by significant non-oil sector growth. The nation's GDP growth remains promising, projected at 4.4% in 2025 and 5.4% in 2026, reflecting the UAE's strategic focus on enhancing economic resilience and diversification.

02

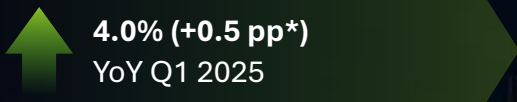
The UAE's strategic initiatives and partnerships have solidified its position as a leading attractor of foreign direct investment (FDI), ranking first in the 2025 Greenfield fDi Performance Index. The continued investment growth despite new corporate taxes shows that UAE remains competitive. However, global economic conditions and competition from neighboring countries pursuing similar diversification strategies will likely influence whether these trends persist.

03

The UAE is advancing its technological and scientific capabilities through initiatives like the Space Mission and Satellite Engineering Program and partnerships with Quantinuum and Ant International. These efforts highlight the UAE's dedication to fostering innovation and equipping its talent with necessary skills, aligning with national objectives to build a knowledge-based economy and maintain global competitiveness.

Latest data releases (1/2)

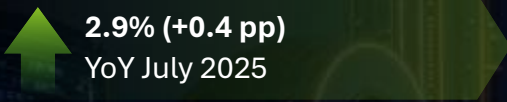
UAE



4.0% (+0.5 pp*)
YoY Q1 2025

Dubai real GDP growth²ⁱ

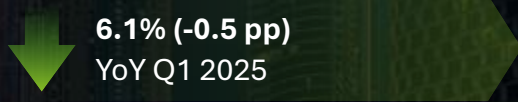
Dubai's Q1 2025 GDP expanded 4.0% YoY, with non-oil sectors growing 4.1%, now comprising 97.7% of the economy. The wholesale and retail trade sector grew 4.5%,. The financial and insurance activities sector expanded 5.9%, while the real estate activities sector surged 7.8%. Health sector's exceptional 26.2% growth reflects healthcare expansion but added little to total growth due to its small GDP share.



2.9% (+0.4 pp)
YoY July 2025

Dubai inflation²ⁱⁱ

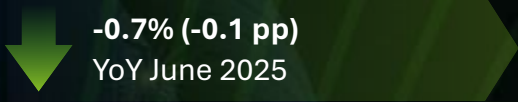
In July 2025, Dubai's annual inflation reached 2.9%, largely driven by a 6.4% increase in housing costs in the consumer basket. Meanwhile transport costs fell 3.4%, continuing its decline from the beginning of this year. Education rose 2.6%, while food prices saw a minimal increase of 0.4%. Most other sectors showed modest price increases below 2.0%.



6.1% (-0.5 pp)
YoY Q1 2025

Abu Dhabi real GDP growth³ⁱ

In Q1 2025, Abu Dhabi's real GDP rose by 3.4% year-on-year. Non-oil activities grew by 6.1%, now making up 56.2% of GDP. Construction expanded by 10.2%, while the financial and insurance sectors grew by 9.1%. Manufacturing increased by 5.0%. The fastest growth was in professional, scientific, and technical services at 10.3%, contributing 9.0% to overall growth.



-0.7% (-0.1 pp)
YoY June 2025

Abu Dhabi inflation³ⁱⁱ

Through June 2025, Abu Dhabi experienced an annual deflation of -0.7%, driven primarily by transport costs falling 11.3% as energy prices moderated. Housing costs saw a moderate increase of 2.5%, while clothing fell 5.8% and furnishings decreased by 1.4%. Recreation costs rose by 4.7%. with transport and housing comprising almost half of the consumer basket, the significant drop in transport costs, alongside other price changes, contributed to overall price stability.

Source: 2 Dubai Statistics Center (i, ii); 3 Statistics Centre of Abu Dhabi (i, ii)
Note: pp refers to percentage point, * Q4 2024 real GDP not provided, estimated from existing 2024 constant GDP values provided

Latest data releases (2/2)

UAE



52.9 (-0.6 pts)
MoM July 2025

Non-oil PMI¹

UAE's non-oil PMI fell to 52.9 in July 2025 from 53.5 in the prior month, marking the weakest growth in four years, though still above the 50.0 expansion threshold. New orders grew at their slowest since August 2021 due to cautious clients and external headwinds, while tough competition made sales more difficult to secure. Output grew significantly, but employment growth remained weakened. Rising input costs led to modest price increases after reaching a three-month high.

Source: 1 [S&P July Non-Oil PMI Report](#)

Note: pp refers to percentage point

Latest news (1/3)

UAE

UAE emerges as top global greenfield FDI attractor

The UAE has solidified its position as a leading attractor of FDI relative to its economic size, ranking first in the 2025 Greenfield FDI Performance Index by fDi Intelligence. It outperformed 104 other economies, securing over 14 times the expected volume of greenfield FDI projects for its GDP scale. Greenfield investments has been a key driver of this success, attracting 1,369 projects in 2024 and contributing to AED 53.3 Bn in capital commitments, highlighting the UAE's resilience amid global growth slowdown in greenfield projects. [Khaleej Times – Read more.](#)

Sharjah and Canada discuss ways to explore business partnership

The Sharjah Chamber of Commerce and Industry (SCCI) and the Consulate General of Canada in Dubai explored expanding economic cooperation, focusing on strategic partnerships in AI, healthcare, and education to boost trade and investment. Both sides agreed to enhance communication and coordination to transform shared strategic visions into actionable initiatives, leveraging Sharjah's modern business ecosystem and strategic positioning. [Gulf Today – Read more.](#)

UAE economy set for steady expansion and rising current account surplus

Standard Chartered projects the UAE economy to grow by 5% in 2025, moderating to 4% in both 2026 and 2027. Inflation is expected to remain steady at 3% annually over this period. The current account surplus is forecast to increase from 7% of GDP in 2025 to 10% by 2027. While regional uncertainties may prompt short-term fluctuations in oil prices, the oil market is anticipated to remain broadly oversupplied. [Khaleej Times- Read more.](#)

US tariffs prompt Indian businesses to accelerate production shift to UAE

Following the US's imposition of 50% tariffs on Indian exports, Indian businesses are accelerating efforts to establish production hubs in the UAE, particularly in food processing and jewelry sectors. UAE consultancies report increased enquiries for joint ventures and investments. While some UAE jewelers urge caution amid policy uncertainty and cost pressures, the tariff-driven shift highlights the UAE's growing appeal as a strategic manufacturing and export base for Indian companies seeking to mitigate US market barriers. [Gulf News – Read more.](#)

UAE and Russia strengthen ties with new trade and transport agreements

During talks in Moscow, UAE President Sheikh Mohamed bin Zayed Al-Nahyan and Russian President Vladimir Putin signed agreements to enhance bilateral relations, including a Trade in Services and Investment Agreement (TISIA) and an MoU on land transport cooperation. These agreements aim to deepen economic cooperation in trade, investment, space, and energy, while supporting diplomatic efforts for regional peace and stability. [Arab News – Read more.](#)

ADNOC gas signs 10-year LNG deal with India's Hindustan Petroleum

Abu Dhabi National Oil Company (ADNOC) signed a 10-year agreement with Hindustan Petroleum Corp. to supply 500,000 metric tons of Liquefied Natural Gas (LNG) annually, sourced from its Das Island facility, enhancing its presence in Asian energy markets. This deal aims to strengthen ADNOC Gas's ties with Indian energy companies, supporting India's energy security and ambition to increase natural gas in its energy mix. The agreement reflects the robust UAE-India energy partnership and ADNOC's strategy to expand global LNG exports. [Arab News – Read more.](#)

Latest news (2/3)

UAE

Collaborations aimed at developing and financing solar projects in UAE

Emerge, a joint venture between the UAE's state-owned renewable energy company Masdar, and Électricité de France (EDF), signed an agreement with Emirates Development Bank (EDB) to collaborate on developing and financing distributed solar projects in the UAE. The MoU involves Emerge identifying renewable energy project opportunities for EDB to evaluate and potentially offer tailored financing solutions, supporting the UAE's energy transformation. [Masdar – Read more.](#)

UAE and Angola sign CEPA to boost bilateral trade to USD 10 Bn by 2033

During President Sheikh Mohamed's state visit to Angola, the UAE signed a Comprehensive Economic Partnership Agreement (CEPA) alongside multiple sectoral deals to enhance bilateral trade and investment. The CEPA aims to raise trade to USD 10 Bn annually by 2033, add USD 1 Bn to both countries' GDP, and create nearly new 30,000 jobs. By reducing trade barriers and expanding market access, the agreement reinforces the UAE's strategic role as a trade hub linking Africa, the Arab world, Europe, and Asia. [The National – Read more.](#)

Partnership in Abu Dhabi to advance innovation in the emirate's fintech ecosystem

The Abu Dhabi Investment Office (ADIO) signed an MoU with Ant International to enhance Abu Dhabi's fintech sector by leveraging Ant's technological expertise, promoting financial inclusion, and connecting local businesses to global markets. This collaboration aims to empower small-to-medium enterprises (SMEs) and strengthen economic ties between Asia and Abu Dhabi, aligning with ADIO's strategy to scale high-impact companies and foster cross-regional capital, innovation, and trade flows. [Abu Dhabi Media Office – Read more.](#)

UAE accelerates Emiratization with private sector employment surpassing targets

The UAE is advancing Emiratization with a notable rise in nationals employed in the private sector, reaching over 152,000 by mid-2025, surpassing government targets. Despite progress, foreign workers continue to dominate private employment. The government balances localization goals with maintaining a business-friendly environment, investing AED 24 Bn in training under the Nafis program. Challenges remain in attracting Emiratis to higher-skilled private roles and shifting preferences from public-sector jobs, with technology sectors offering new opportunities. [Viewpoint EIU – Read more.](#)

UAE Space Agency launches program to train next generation of Emirati space leaders

The UAE Space Agency, in partnership with EDGE Group, launched the Space Mission and Satellite Engineering Program to develop Emirati professionals for leadership roles in the space sector, supporting national space ambitions. This initiative provides hands-on training in space mission design and satellite engineering, enhancing the UAE's sovereign space capabilities and global competitiveness. By equipping local talent with advanced technical knowledge, the program aligns with the UAE's strategic objectives to drive innovation and strengthen its position as a leader in space exploration. [Fast Company Middle East – Read more.](#)

FAB Islamic, Abu Dhabi Housing Authority partner to offer loans to eligible Emiratis

First Abu Dhabi Bank (FAB) partnered with Abu Dhabi Housing Authority (ADHA) to offer subsidized Islamic home financing to UAE citizens, supporting the "Year of Community" initiative for family financial stability and sustainable homeownership. This allows the provision of digitalized housing solutions with competitive profit rates and government-subsidized financing, enhancing community wellbeing and empowering Emirati families. [Eye of Riyadh – Read more.](#)

Latest news (3/3)

SCA unveils regulatory overhaul to strengthen market competitiveness, investor protection

The Securities and Commodities Authority (SCA) in Abu Dhabi is updating the Capital Market Authority Law and financial sector regulations to expand its powers for better oversight and risk management. This initiative, announced by CEO Waleed Al Awadhi, involves four regulatory initiatives aimed at enhancing UAE financial market competitiveness, improving transparency, and strengthening investor protection. [Gulf News – Read more.](#)

Dubai begins roadworks to improve connectivity to Nad Al Hamar Intersection

Dubai's Roads and Transport Authority (RTA) initiated a project to enhance connectivity from Ras Al Khor Road and Al Rebat Street to Nad Al Hamar Intersection, increasing capacity by 33% and reducing travel time from 15 to 11 minutes. The project, part of RTA's 2025 Rapid Traffic Improvements, aims to improve traffic flow by 27% during peak hours and enhance access to Al Rashidiya, Al Qusais, and Dubai International Airport, scheduled for completion by August 2025. [ARN News – Read more.](#)

UAE

Spotlight

UAE globally leading in FDI attraction



Dubai secured first place globally for greenfield FDI projects for the fourth consecutive year, attracting 1,117 new ventures in 2024¹... At the country level, the UAE ranked second worldwide with 1,369 total greenfield projects, surpassed only by the United States.² According to the fDi Intelligence Greenfield FDI Performance Index, the UAE earned a score of 14.26, indicating that it secured over 14 times the volume of greenfield FDI projects expected for its GDP scale.² These rankings reflect particularly strong performance in consumer goods, logistics, technology, and corporate headquarters projects, with Dubai leading multiple sector categories globally.¹



The UAE's investment momentum extends beyond project counts, with total FDI inflows reaching a record USD 45.6 Bn in 2024, up 48.7% from the previous year²... This places the country tenth globally for total inbound investment and represents approximately 37% of the Middle East's FDI inflows.² Investment sources remain geographically diverse, spanning the United States, India, the United Kingdom, France, and China, thereby reducing reliance on any single market. Similarly, the sectors attracting investment are varied, ranging from wholesale and retail trade to technology and tourism.¹ Meanwhile, UAE entities invested USD 23.4 Bn abroad in 2023, maintaining the country's role as both investment recipient and capital exporter.³



Several structural factors may explain the UAE's continued investment attraction...

The country permits 100% foreign ownership for most onshore activities,⁴ while targeted programs like NextGen FDI have drawn over 90 technology companies since launch.⁵ Long-term residency options through Golden Visas likely provide stability for investors and skilled workers. The UAE's 5th place ranking in the 2025 IMD World Competitiveness Index highlights the country's attractive advantages, which are likely to draw increased investor interest.⁶ Notably, 2024 marked the first full year under the new 9% corporate tax regime, yet investment flows accelerated rather than contracted.⁷



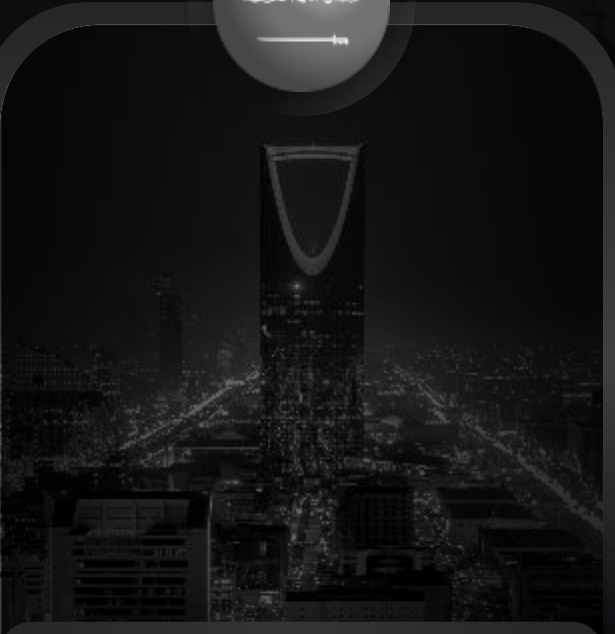
These investment patterns carry practical implications for the regional economy...

The sustained project flow across diverse sectors could help maintain non-oil GDP growth around 4-5%,⁸ providing some insulation from oil market fluctuations. For businesses operating in the region, the UAE's capture of over a third of the Middle East's FDI inflows may solidify its role as the primary base for companies targeting Middle Eastern markets, potentially expanding employment and procurement opportunities. The continued investment growth despite new corporate taxes might indicate that the country's underlying advantages remain compelling, though global economic conditions and competition from neighboring countries pursuing similar diversification strategies will likely influence whether these trends persist.^{9,10}

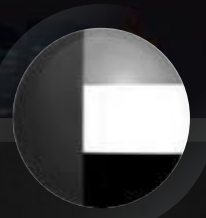
Sources : 1 Dubai Department of Economic and Tourism 2024 FDI Report ; 2 Khaleej Times; 3 Trading Economics; 4 Leaders in Law Article on Foreign Ownership; 5 Emirates News Agency (WAM) Article on NextGen FDI; 6 Emirates News Agency (WAM) Article on Competitiveness ; 7 Emirates News Agency (WAM) Article on FDI Achievement; 8 Central Bank of UAE Quarterly Economic Review June 2025; 9 Gulf News Article on FDI; 10 Global Business Outlook

Country profile | Qatar

QATAR



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

QATAR



01

The non-energy PMI for Qatar continued to expand in July 2025, albeit at a slower pace. Whilst the employment growth component of non-energy PMI remained robust, other components such as growth in new orders and output continued to exhibit weakness, contributing to a moderation in the overall index.

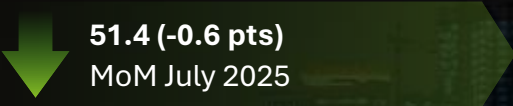
02

Qatar's tourism sector continued its strong growth during the first half of 2025, welcoming more than 2.6 Mn international visitors, up 3% compared to the same period in 2024. Hotels in the country recorded an average occupancy rate of 71%, up 2pp compared to 2024.

03

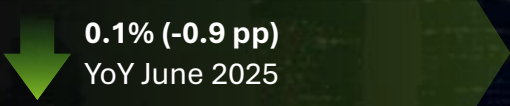
Qatar's decision to bid to host the Olympic Games in 2036 aims to leverage existing infrastructure and sports facilities built for the 2022 FIFA World Cup and 2030 Asian Games. It is also consistent with the Social Development pillar of Vision 2030 that emphasizes sports participation and the Third National Development Strategy that seeks to gain recognition for Qatar as a global tourism destination.

Latest data releases



Non-energy PMI¹

The non-energy PMI declined by 0.6 points to 51.4, indicating slightly weaker growth but above the trend value of 51.2 for 2025 thus far. Employment continues to be robust and recorded the second-strongest rise in survey history. However, the individual indices for new orders and output continue to be weak and are trending below the no-growth mark of 50.0 for the year thus far, thereby contributing to a moderation in the overall index.



Headline inflation²

Headline inflation stood at 0.1% in June 2025, compared to 1.0% in June 2024. The slight rise in prices was attributed to rising YoY prices in food and beverages (2.7%), communication services (10.3%) and education (1.7%). The overall price rise was moderated by falling prices in housing and utilities (-3.6%), transportation (-1.7%) and recreation and cultural activities (-3.9%).

Sources: 1 [S&P Global](#) ; 2 [NPC](#)
Note: pp refers to percentage point

Latest news (1/2)

Qatar welcomes 2.6 Mn international tourists in 2025 thus far

Qatar welcomed 2.6 Mn international tourists in the first half of 2025, up 3% compared to the first half of 2024. Visitors from the GCC countries accounted for 36% of arrivals, followed by visitors from Europe at 26%. 57% of visitors arrived by air, 33% by land, and 9% by sea. Hotels recorded an average occupancy rate of 71%, up 2pp compared to 2024. A total of 5.2 Mn hotel nights were sold; a 7% rise compared to 2024. Earlier in the year, Qatar Tourism had announced that tourism contributed to 8% of GDP in 2024. The Tourism Strategy 2030 aims to increase this contribution to 10-12% of GDP. [Economy Middle East - Read more.](#)

Qatar's strategic overhaul spurs foreign investment surge

In Q2, 2025, more than 2,900 new foreign-owned companies were registered in Qatar, an increase of 640% YoY. Foreign investment interest into Qatar is increasing, owing to a sweeping regulatory reform program, robust free-zone ecosystems and financial incentives aimed at anchoring the nation's economic diversification push. The reforms covered bankruptcy laws, new commercial registration regulations, and a public-private partnership (PPP) framework, as well as 100% percent foreign ownership and tax holidays in designated free zones. [The Peninsula - Read more.](#)

Turkey-Qatar free trade deal takes effect

The Turkey-Qatar Trade and Economic Partnership Agreement (TEOA) took effect in August, having been originally signed in 2018. The agreement is designed to eliminate tariffs, reduce non-tariff barriers and deepen bilateral trade. Turkish officials expect the pact to help increase bilateral trade volume to USD 5 Bn in the medium term. Trade volume between the two nations was worth USD 1.1 Bn in 2024, with Turkey maintaining a surplus of USD 328 Mn. Turkey will be allowing zero-tariff access to selected Qatari goods such as dates, flax, pumice stone and tobacco. [Turkish Minute - Read more.](#)

Qatar's air transport sector sees steady growth in July 2025

Preliminary statistics from the Qatar Civil Aviation Authority show that aircraft movements increased in July 2025 by 0.2% YoY and passenger numbers increased by 1.4%. Whilst modest, these numbers underline a stable operational environment amidst a challenging global backdrop. Air cargo volume also increased by 0.8% YoY. This data underscores Qatar's importance as a transit and logistics hub for passengers and cargo travelling between Europe and Asia and is also consistent with the tourism trends for Qatar. [The Peninsula - Read more.](#)

Qatar aims to multiply patent output tenfold by 2030

As part of its national strategy to build a knowledge-based economy as set out in Vision 2030 and the Third National Development Strategy, Qatar is setting an ambitious goal to increase its number of patents filed per Bn dollars of GDP by tenfold by 2030. The Qatar Research, Development and Innovation Council (QRDI) had launched an Intellectual Property (IP) Clinics initiative, offering entrepreneurs and businesses support to assess the potential of their ideas, understand IP tools, and develop strategies to protect and commercialize their innovations. [The Peninsula - Read more.](#)

Qatar's infrastructure market poised for growth

Qatar's infrastructure sector is set for significant growth, driven by government capital spending, economic diversification, the North Field LNG expansion project and transportation upgrades. The infrastructure market is expected to have a CAGR of 4.3% in the 2025-30 period. Key initiatives include new expressways, metro extensions, and capacity enhancements at Doha's Hamad Port, all part of the Vision 2030 goals of diversifying the Qatari economy and designed to transform Qatar into a pivotal logistics hub for the Gulf region. [Economy Middle East - Read more.](#)

Latest news (2/2)

QATAR

Qatar's Internet of Things (IoT) market to grow

Qatar's automotive Internet of Things (IoT) sector is expected to grow at a CAGR of 7.2% in the 2025-29 period. This growth is underpinned by Qatar's smart city plans in Lusail and Downtown Doha and broader digital transformation strategies, aiming to integrate advanced connected-car solutions into its urban mobility ecosystem. These developments complement the Ministry of Transport's vision of IoT to enhance road safety and reduce congestion and prepare for autonomous vehicles in the future so as to position Qatar as a regional hub for smart mobility. [The Peninsula – Read more.](#)

Doha to see surge in startup activities, innovation

Qatar's implementation of various policy changes are expected to strengthen entrepreneurship and innovation in the SME sector, which are aligned with Vision 2030 goals of developing an innovative, knowledge-based economy that creates high-skilled, high value jobs and attracts foreign investment. Key examples include encouraging SME participation in government procurement and launching the Qatar Fintech Strategy to foster innovation in the finance sector. This policy focus resulted in Qatar advancing 11 places to rank 79th globally and 7th in the Middle East in the 2024 Global Startup Ecosystem Index. [The Peninsula – Read more.](#)

Qatar Chamber concludes summer innovation camp

Qatar Chamber recently concluded a program, in collaboration with Qatar University and the Ministry of Youth and Sport, aimed at improving entrepreneurial and innovative thinking among youth by providing an interactive educational environment for shaping ideas and developing projects. The program also provided opportunities for students to network with entrepreneurs and industry professionals directly. This initiative seeks to combine practical knowledge with real-world experience and is aimed at developing an entrepreneurial generation capable of driving innovation. [The Peninsula – Read more.](#)

Qatar backs Syria's economic revival

Qatar is continuing to extend support to Syria and signed a USD 4 Bn agreement to redevelop the Damascus International Airport transforming it into a regional hub capable of handling 31 Mn passengers annually. The project includes modern terminals, retail facilities, advanced aviation systems, an upgraded access road, and funding for 10 new Airbus A320 aircraft for Syrian Airlines. This initiative may be seen in the wider context of Qatar's Vision 2030 goals of contributing to global peace and security through developmental aid and expanding Qatar's soft power and influence. [The Peninsula – Read more.](#)

Oman, Qatar discuss reinforcing cooperation in the labor field

Qatar and Oman concluded a two-day ministerial meeting discussing ways to strengthen labor cooperation over the 2025–2027 period, focusing on workforce development, knowledge exchange, and professional training. The agenda included mutual visits, workshops, exhibitions, and skill-building modules to enhance national competencies and integrate them into the labor market. It also includes intensification of mutual visits between the two countries with the aim of imparting knowledge and sharing national competencies in a variety of sectors. [The Peninsula – Read more.](#)

Qatar Financial Center records surge in registrations

The Qatar Financial Center (QFC) recorded a 64.0% YoY increase in company registrations in the first half of 2025, with 828 new firms registered. The total numbers of firms registered with the QFC now stands at 3,300. This surge reflects a series of reforms introduced by the QFC to attract global business, including reduced application fees, simplified incorporation processes and instant legal entity formation. These developments are consistent with Qatar's objectives of diversifying and further developing its non-hydrocarbon economy, consistent with Vision 2030 goals. [Economy Middle East– Read more.](#)

Spotlight

Qatar's Olympics bid



However, hosting the Olympic Games usually entails significant costs and investments and requires a careful cost-benefit analysis...

Hosting large-scale international sports events often entail significant investment and upfront costs that can surpass initial estimates.² For example, the cost of constructing football stadia and expanding and developing associated infrastructure such as Doha's airports, metro rail system and roads ahead of the 2022 FIFA World Cup was estimated at USD 220 Bn, far greater than previous FIFA World Cup tournaments.³ Similarly, previous Olympic host cities also contended with significant costs to prepare for the Games: Rio in 2016 constructed 15,000 new hotel rooms to accommodate the expected influx of visitors; Beijing in 2008 constructed a new airport terminal. Additionally, a host city must also provide highly specialized facilities for each sport and a Games Village for housing the athletes and support staff. Studies have shown that hosting the Olympics can boost jobs and create revenue for the host city: the London Olympics created 48,000 jobs; the Vancouver Winter Olympics lifted local economic growth by 0.8%.⁴ However, these gains are often temporary and do not extend beyond the year in which the city hosts the Games.



A defining feature of Qatar's bid is its ability to leverage existing infrastructure...

Around 95% of the required infrastructure is already in place from previous events such as the 2022 FIFA World Cup and the upcoming the 2030 Asian Games.⁵ Whilst this means the economic impact from construction of new facilities has largely been realized already, Qatar now has an additional opportunity to generate an economic impact from expenditure that has already been incurred. In addition to robust air and metro transport systems, Qatar also has an expanding supply of hotel room keys, that may prevent leakage of visitors to neighboring countries seen during the FIFA World Cup.⁶ The most recent Summer Olympics, held in Paris in 2024, also emphasized the use of pre-existing infrastructure that was only repurposed or modernized.⁶ The relatively minor investment needed in new sporting facilities and associated infrastructure to host the event could generate additional socioeconomic value for Qatar and raise its global profile and stature, all while promoting the effective reuse of existing sports facilities.



Qatar is vying to become the first country in the Middle East to host the Olympic Games... Qatar recently announced it is in talks with the International Olympic Committee (IOC) to host the 2036 Olympic Games. If successful, Doha would become the first city in the Middle East to do so.¹ Qatar joins a list of other prospective host nations such as India, Indonesia, Turkey and Chile. Qatar's decision to bid to host the Olympic Games builds on its well-established strategy of hosting major international sporting events, such as the 2022 FIFA World Cup and the 2023 AFC Asian Cup. Moreover, the country is already set to host other major international sporting events such as the 2027 FIBA Basketball World Cup and the 2030 Asian Games. This approach aligns with Qatar's National Vision 2030, which aims to promote sustainable economic growth, enhance global visibility, and diversify the economy through strategic investments in sports and tourism.

Sources: 1 [The Peninsula](#) ; 2 [Council on Foreign Relations](#) ; 3 [Marmore MENA](#) ; 4 [EBRD](#) ; 5 [The Peninsula](#) ; 6 [BBC](#) ; 7 [Olympics](#)

Acronyms and explanations of key terminologies

Acronyms and explanations of key terminologies (1/4)

1

GDP – Gross Domestic Products¹

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 price fluctuations.

3

Non-Oil PMI – Non-Oil Purchasing Managers' Index²

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 Index³

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 Rate⁴

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 Rate⁵

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 Investment⁶

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 Balance⁷

The difference between a government's revenues and expenditure.

9

IMF – International Monetary Fund⁸

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

10

GCC – Gulf Cooperation Council⁹

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.

Sources: 1 GDP ; 2 PMI ; 3 CPI ; 4 Inflation ; 5 Unemployment rate; 6 FDI ; 7 Budget Balance ; 8 IMF ; 9 GCC

Acronyms and explanations of key terminologies (2/4)

11

OPEC - Organization of the Petroleum Exporting Countries¹

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 Global²

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 Fund³

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 Company⁴

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 Authority⁵

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 2030⁶

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

17

We the UAE 2031⁷

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 2030⁸

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 Strategy⁹

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 Agreement¹⁰

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

Sources: 1 OPEC; 2 S&P Global ; 3 PIF ; 4 ADNOC; 5 QIA; 6 KSA Vision ; 7 We the UAE 2031; 8 Qatar Vision ; 9 NPC ; 10 CEPA

Acronyms and explanations of key terminologies (3/4)

21

MoU – Memorandum of Understanding¹

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 Rate²

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 Gas³

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

24

AI – Artificial Intelligence⁴

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

25

IoT – Internet of Things⁵

The Internet of Things refers to a network of physical devices, vehicles, appliances, and other physical objects that are embedded with sensors, software, and network connectivity, allowing them to transmit data.

26

FIFA - Federation Internationale de Football Association⁶

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

27

FIBA - Fédération Internationale de Basketball⁷

The world governing body for basketball, responsible for organizing international competitions, establishing basketball rules, and overseeing the sport globally

28

IOC – International Olympic Committee⁸

The international, non-governmental, sports governing body of the modern Olympic Games.

29

SAR – Saudi Riyal⁹

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 Dirham¹⁰

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.

Sources: 1 MoU ; 2 CAGR ; 3 LNG ; 4 AI ; 5 IoT ; 6 FIFA ; 7 FIBA ; 8 IOC; 9 SAR ; 10 AED

Acronyms and explanations of key terminologies (4/4)

31

QAR - Qatari Riyal¹

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

36

PTS – Points

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

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.



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