



MEcon monthly updates Saudi Arabia, UAE and Qatar

September 2025

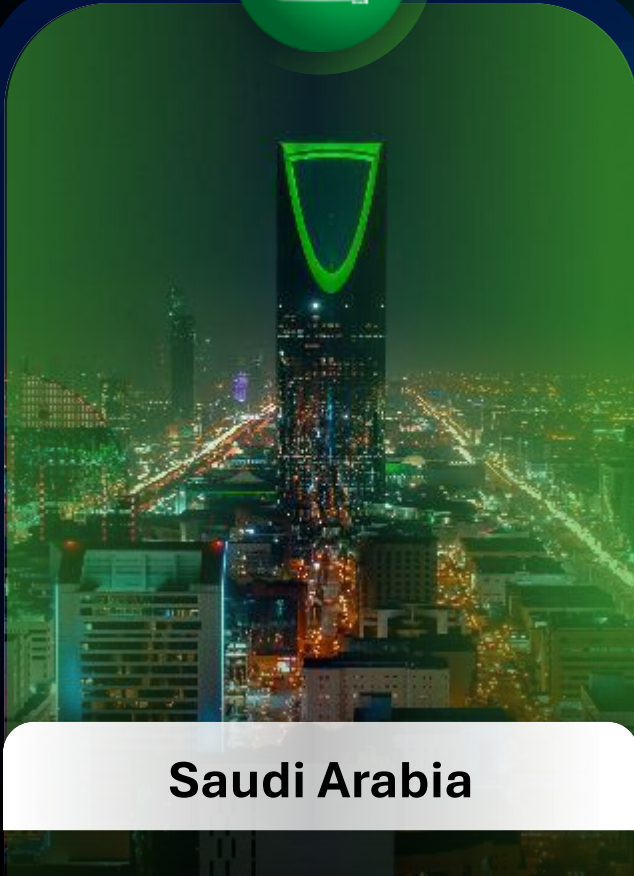


Meet the country economists

	Saudi Arabia	 Ruth Steen rsteen@deloitte.com	 Vasundhra Pahuja vapahuja@deloitte.com	 Imogen Turner imturner@deloitte.com	 Nour Rmeih nrmeih@deloitte.com
	UAE	 Dr. Samuel Smithers sasmithers@deloitte.com	 Kristine Nostdahl knostdahl@deloitte.com	 Yara Al Tawil yaltawil@deloitte.com	 Victor Sukeerth Munagala vmunagala@deloitte.com
	Qatar	 George Michalas gmichalas@deloitte.com	 Romit Mookerjee rmookerjee@deloitte.com		

Deloitte's Economic Advisory team in the Middle East brings **unique regional and local experience**, combined with the **best of global expertise**. They support clients in areas of economic appraisal and evaluations, economic regulation, and macroeconomic and policy analysis. Using a wide range of analytical tools and methodologies, they provide high-quality economic insights to diverse public and private sector clients. Our expertise enables us to **deliver bespoke, in-depth, and high-quality analysis across all sectors and industries**. We support our clients in **achieving superior results** and **meeting their goals and strategic priorities**.

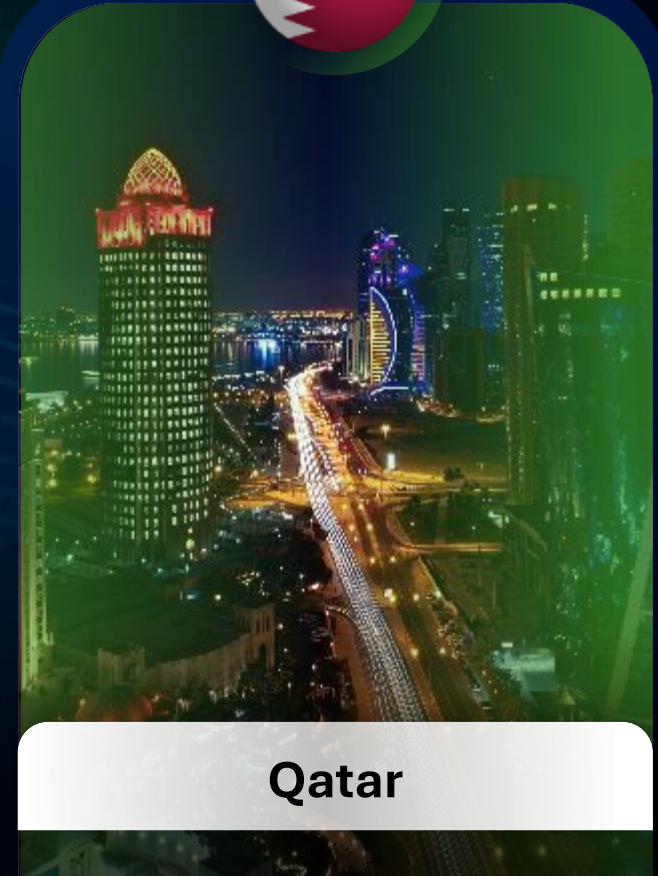
Country profile | Overview



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 29th of September 2025

Country profile | Saudi Arabia

SAUDI ARABIA

الجمهورية العربية السعودية



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

SAUDI ARABIA



01

Real GDP in Q2 2025 grew by 3.9% YoY with strong performance across all sectors, with non-oil growth of 4.6% YoY. Momentum in the non-oil sector is also reflected in non-oil Purchasing Managers Index (PMI) which remains above 50, signaling strong business sentiment in the non-oil sector. As the economy continues to grow, so has demand for residential and commercial properties, leading to significant price rises across the Kingdom, and Riyadh in particular. In response, the Kingdom has announced a five-year rent freeze in Riyadh this month, with the aim of addressing rising costs whilst preserving sustainable long-term urban development.

02

Saudi Arabia's small local brands including bakeries, food outlets, and farmers are expanding into national brands, showcasing the diversity and entrepreneurial spirit in smaller communities. The rise of these brands reflects policy shifts related to enhanced digital and logistics infrastructure, and simplified business regulations. Efforts to boost SME lending from 2% in 2016 to 20% by 2030 are expected to further empower small-town businesses.

03

Riyadh is set to host key events supporting Vision 2030, reinforcing its status as a business and cultural hub. Before the end of 2025, several major tennis tournaments are due to be held in Riyadh, including those by the Association of Tennis Professionals (ATP) and the Women's Tennis Association (WTA).¹ It was also announced this month that WrestleMania 43 will be held in Riyadh in 2027. This will mark the first time the event is hosted outside North America, further boosting tourism and sports entertainment.

Sources : 1 [WTA Finals Overview](#)

Latest data releases

SAUDI ARABIA



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

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

Latest news (1/2)

SAUDI ARABIA

Small local brands expand into national chains

Registrations for new companies are rising with commercial registrations increasing by 30.0% over the last two years, and small local brands such as bakeries and mango farmers expanding into national chains. Improvements in digital and logistics infrastructure, and regulatory reforms to simplify rules for businesses have made operating easier. The Kingdom aims to raise the share of lending to SMEs to 20.0% by 2030, up from 9.63% in Q3 2024. This could particularly help small town businesses which typically struggle to compete with more established or better-funded competition in major cities. [Financial Times – Read more.](#)

Saudi port exports rise by 9.3% in 2024

The Kingdom's ports saw robust growth in 2024 reinforcing its growing role in global trade. Exports increased by 9.3% to 222.4 Mn tons, representing around two thirds of total cargo volumes. King Fahad Industrial Port in Yanbu, on the coast of the Red Sea saw the most exports, handling around half of total export volumes from Saudi Arabia. The surge in cargo aligns with Saudi Arabia's National Transport and Logistics Strategy under Vision 2030, which seeks to position the Kingdom as a global logistics hub connecting Asia, Europe, and Africa. [Arab News – Read more.](#)

OPEC+ agree to continue raising output to regain market share

Since April 2025, OPEC+ has reversed its strategy of output cuts. Since April it has raised quotas by 2.5 Mn barrels per day (bpd), 2.4% of world demand. In October, OPEC+ agreed output increases of at least 135 K bpd, and further increases are expected to be agreed in 2026. The aim is to regain market share, put downwards pressure on prices and oil producers who rely on higher prices e.g. US shale producers. KSA's decision to increase oil output as part of OPEC+ aims to achieve higher revenues and a more predictable flow of oil income which can be used to finance Vision 2030 initiatives and support the development of non-oil sectors. [Reuters – Read more.](#)

Saudi banking sector thrives

S&P Global Ratings analysis finds that KSA's banking sector is experiencing strong growth, profitability and is well positioned to support the Kingdom's economic transformation. Drivers of continued growth include an expected 10% increase in lending, with corporate lending boosted by large Vision 2030 projects, private sector loans which grew by 14% YoY in July 2025, and mortgage lending supported by lower interest rates and growth of the real estate sector. Profitability is expected to remain stable in 2025, due to strong capitalization, prudent risk management, and credit growth. [Arab News – Read more.](#)

Industrial production up 6.5% YoY in July

Industrial production expanded by 6.5% YoY in July 2025, the fastest growth since January 2023. This was driven by a 6.5% YoY rise in the mining and quarrying sector, supported by an increase in oil production following OPEC+ raising output. Another major driver was a 7.0% YoY rise in the manufacturing sector, boosted by initiatives to promote downstream industries linked to petrochemical production. Other contributors were activities critical for supporting industrial and urban infrastructure e.g. electricity, gas, steam, air conditioning supply, water supply, sewerage. [Economy Middle East – Read more.](#)

Demand for sukuk indicates investor confidence in KSA

KSA successfully raised USD 5.5 Bn in a dual tranche sukuk sale. Prices for the five- and ten-year portions of the sale were attractive, offering higher returns than comparable US Treasuries. The five-year portion priced at USD 2.25 Bn had spreads set at 65 basis points over US Treasuries, and the ten-year portion priced at USD 3.25 Bn had spreads set at 75 basis points above US Treasuries. Demand was strong with over USD 19 Bn in orders, reflecting investor confidence in Saudi Arabia's economy, supported by Saudi Arabia's strong and stable credit rating. [Asharq Al-Awsat – Read more.](#)

Latest news (2/2)

SAUDI ARABIA

Three resorts on Shura Island due to open in the next few weeks

Three resorts developed by Red Sea Global on Shura Island in the west coast of the Kingdom are due to become operational in October. This includes the opening of SLS, Edition and InterContinental hotels, along with the first island golf course. Another eight resorts are due to become operational in coming months. By 2030, the Red Sea destination will include 50 different resorts, 8000 hotel rooms and 1000 residential units. Attracting visitors to the development can support KSA's economy via tourism, foreign investment, and the development local supply chains. [Enterprise News – Read more](#)

First Cultural Investment Conference in Riyadh in September

The Cultural Investment Conference brings together global leaders to discuss how cultural investment can foster economic growth and social development, supporting Vision 2030 aims to increase the cultural sector's contribution to GDP. A key focus for the conference is to explore new funding mechanisms like cultural investment funds and PPPs. The conference also brings together international leaders and experts, showcasing Saudi Arabia's cultural progress on a global stage. This aligns with Vision 2030 goals to enhance the Kingdom's global standing and reputation as a hub for culture and business. [Asharq Al-Awsat – Read more](#)

Riyadh to host WrestleMania 43 in 2027

It was announced this month that WrestleMania 43 will take place in Riyadh in 2027. This is the first time the event will be staged outside of North America. WrestleMania is a weeklong celebration including fan events, wrestling and community outreach initiatives. It has become a cultural phenomenon across the world with fans from more than 60 countries attending each year. The event supports the Kingdom's goal to diversify away from oil, promote sports and entertainment, boost tourism and enhance the Kingdom's reputation. [Arab News – Read more](#)

Monorail paves way for urban transformation in Riyadh

The construction of a driverless monorail in the King Abdullah Financial District (KAJD) in Riyadh is due to start by the end of 2025 and planned to become operational in 2027. The project is a milestone in KSA's transition to tech driven urbanization and will be a template for future smart mobility infrastructure. In Riyadh, the project also supports KSA's aim to attract international investors and talent. Many regional headquarters in Riyadh will be based within the commercial real estate sector in KAJD, and the monorail will link nearby residential and commercial hubs. [EIU – Read more](#)

First 24-hour women's sports channel in Saudi Arabia

All Women's Sports Network (AWSN) will launch a dedicated women's sports channel in Saudi Arabia in partnership with the country's football federation and national broadcaster Saudi Sports Company. The launch coincides with the start of the Saudi Women's Premier League Season which will be broadcast domestically and internationally for the first time. Providing global coverage of Saudi women's sports helps to break barriers, inspire participation, and give Saudi women's sport a global platform. [Reuters – Read more](#)

New regulations to stabilize rental prices in Riyadh

New regulations have been introduced to stabilize rental prices in Riyadh, including a five-year freeze on rent increases for residential and commercial properties, effective from 25 September. Rents will be fixed at the value of the last registered contract, and prices for new rentals will still be agreed between landlords and tenants. All lease agreements are required to be registered on a digital platform run by the government. The motivation for the rent freeze is to address surging rents, restore balance to the property market, and support sustainable urban development in Riyadh. [Arab News – Read more](#)

Spotlight

Transformation of the financial sector



The Financial Sector Development Program (FSDP) has facilitated significant transformations in the banking sector since 2018... Implementation of FSDP initiatives is based on four pillars: i) enabling financial institutions to support private sector growth, ii) ensuring the formation of an advanced capital market, iii) promoting financial planning, and iv) positioning the Kingdom as a global fintech hub. Initiatives such as increasing SME access to finance and introducing licensing for digital banks have directly contributed to the sector's expansion with total bank assets (e.g. loans and investments) reaching SAR 4.5 Bn by the end of 2024, exceeding the 2025 target by SAR 1 Bn¹. This expansion highlights the sector's growth, and capacity to fund the private sector.



FSDP initiatives aimed at boosting SME's access to finance have driven growth in the SME sector, closing the credit gap, and driving non-oil growth... One example of FSDP's successes is its targeted efforts to boost SMEs' access to finance which have historically experienced a large credit gap. Prior to 2018, many SMEs struggled to secure finance due to rigid collateral requirements and traditional bank lending models.

FSDP has directly addressed the credit gap via a clear policy mandate to increase the share of bank financing to SMEs to 20% by 2030. Initiatives such as 'Kafalah' also reduce risk for banks by providing government backed guarantees for a significant portion of SME loans.³ Additionally, FSDP has facilitated alternative financing options by setting up new ways for startups and SMEs to raise capital outside of traditional banking. For example, FSDP has set up a licensing regime for Fintech companies which provide innovative digital financing solutions, and developed a regulatory framework for crowdfunding platforms.

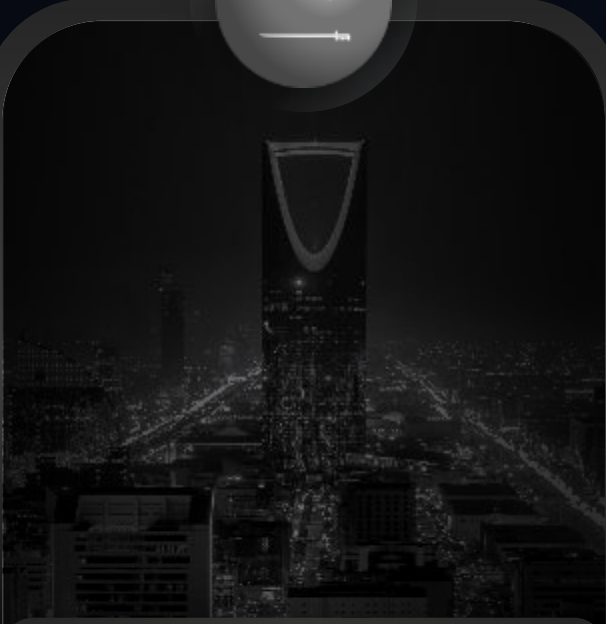
These measures have had a direct impact on closing the credit gap, expanding the size of the SME market, and driving growth in the SME sector. Access to finance has improved with lending to Micro, Small and Medium Enterprises (MSMEs) increasing by 31% YoY in Q1 2025.⁴ The share of bank credit to SMEs has also seen a notable increase, rising from 8.4% in Q4 2023 to 9.4% in 2024.⁵ This has directly contributed to SMEs numbers more than doubling since the launch of Vision 2030, reaching over 1.3 Mn by Q4 2023⁶ and SMEs expanding their operations which has led to employment growth. As of Q4 2024, SMEs employed 7.8 Mn,⁷ representing 70% of employees in the private sector.⁸

FSDP is expected to build on its initiatives to reach 20% SME financing by 2030, strengthen the financial sector, thereby supporting the non-oil economy... Whilst progress has been made in closing the credit gap for SMEs, gaps remain for Micro-Enterprises. A continued focus on FSDP initiatives related to developing tailored financing solutions and a more inclusive financial system may help to achieve the aim of 20% SME financing by 2030. Going forwards, FSDP is expected to build on its current progress by continuing to focus on digitalization, growth of the FinTech sector, and expanding the Open Banking Framework to drive innovation, competition, and value for customers.

Sources: 1 P8 Annual Report for FSDP, 2024; 2 IMD World Competitiveness Ranking Methodology, 2025 3 Arab News; 4 Arab News; 5 P6 Annual Report for FSDP, 2024; 6 Monsha'at, 2024; 7 Arab News; 8 National Labor Observatory, 2024

Country profile | United Arab Emirates

UAE



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

UAE



01

The UAE economy grew 3.9% YoY in Q1 2025, down from 5.0% YoY in Q4 2024. Mining and quarrying shifted to -0.6% YoY from 1.5%, and several non-oil sectors – especially transport and construction – also eased from late 2024-late highs while staying in expansion. Manufacturing and finance remained firm, keeping non-oil GDP growth at 5.3%. Overall momentum remains broad, however is cooler relative to the previous quarter.

02

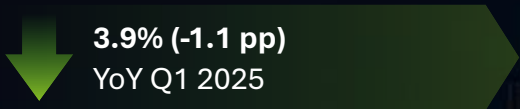
The UAE has expanded its global economic ties through a series of major agreements aimed at strengthening trade and investment linkages. Kazakhstan and the UAE committed USD 5 Bn to energy, logistics, IT, and agriculture projects. New partnerships with Korea emphasized AI, mobility, and energy infrastructure, while UAE-US non-oil trade reached USD 38 Bn in 2024. In addition, the Comprehensive Economic Partnership Agreement (CEPA) with India delivered USD 37.6 Bn in non-oil trade in H1 2025, further underscoring the UAE's growing role as a global trade hub.

03

The UAE Cabinet approved a National Policy for Economic Clusters, aiming to generate more than AED 30 Bn annually in GDP and boost foreign trade by AED 15 Bn over seven years. The strategy focuses on five high-potential clusters: Financial Services, Tourism, Space, Communications & Data Analytics, and Food. By concentrating on interconnected industries, the initiative may accelerate non-oil growth, attract foreign investment, and enhance the country's local supply chain capacity and capabilities.

Latest data releases

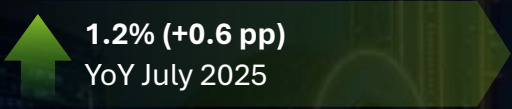
UAE



3.9% (-1.1 pp)
YoY Q1 2025

Real GDP growth¹

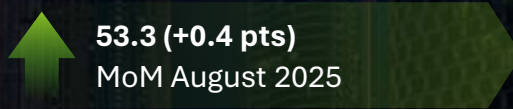
The UAE economy grew 3.9% YoY in Q1 2025, easing from 5.0% in Q4 2024. Mining and quarrying, swung to a -0.6% contraction from 1.5% growth previously. Several non-oil sectors also cooled: transport slowed to 3.0% from 13.1%, construction to 7.0% from 10.8%, and wholesale and retail trade to 3.1% from 5.7%. Even so, manufacturing expanded 7.7% and financial services 7.0%, lifting non-oil GDP by 5.3% and ensuring momentum remained broad, though steadier than Q4 2024.



1.2% (+0.6 pp)
YoY July 2025

Inflation¹

Inflation accelerated to 1.2% YoY in July 2025, up from 0.6% YoY in June. The main driver was housing, water, electricity and gas, which saw an increase of 4.0%. Food and beverages added momentum (12.0%) to stronger price gains, while transport (12.7%) also picked up after earlier weakness. By contrast, clothing (-1.5%) and communication (-0.7%) softened overall pressures.



53.3 (+0.4 pts)
MoM August 2025

Non-Oil PMI²

The UAE's non-oil PMI improved in August, rising to 53.3 from 52.9 in July 2025. Businesses reported stronger activity and increased confidence, but new orders grew at the slowest pace since 2021. The report highlights that companies bought fewer inputs and faced some supply chain delays, while higher wages pushed costs up and selling prices increased slightly.

Sources: 1 [UAE FCSC](#); 2 [S&P Non-Oil PMI](#)

Note: pp refers to percentage point

Latest news (1/2)

UAE

UAE Cabinet endorses an economic clusters policy to boost competitiveness

The UAE Cabinet, chaired by Sheikh Mohammed bin Rashid Al Maktoum, approved the National Policy for Economic Clusters to boost sector capabilities and global competitiveness; projected to add AED 30 Bn to GDP annually. The Cabinet also endorsed the agenda for the November government meetings, environmental plans, 85 international agreements, and the creation of an Integrative Medicine Council. [Gulf News – Read more.](#)

UAE launches ambitious campaign to become global start-up capital by 2031

The UAE aims to increase the number of companies operating by nearly 70% to 2 Mn by 2031, focusing on SMEs that form 94% of businesses. The national campaign, led by Sheikh Mohammed, targets training 10,000 Emirati entrepreneurs, creating 30,000 jobs, and boosting sectors like food, tourism, FinTech, space, and data analytics. [The National – Read more.](#)

Kazakhstan and UAE deepen USD 5 Bn strategic investment partnership

Kazakhstan and the UAE are deepening ties with over USD 5 Bn in joint investments across energy, logistics, IT, and agriculture. Around 20 agreements support strategic cooperation, overseen by senior officials. Kazakhstan aims to expand exports of organic agricultural products and critical raw materials via the UAE's logistics hub. The embassy promotes tourism and seeks visa facilitation for UAE residents, while Kazakhstan's improving investment climate and shared cultural values strengthen the partnership. [Gulf News – Read more.](#)

UAE and Korea forge strategic partnership in AI, Energy, and Mobility

The Korea International Trade Association (KITA) launched the UAE-Korea Economic Cooperation Committee in Abu Dhabi, following a delegation visit and business roundtables with over 300 companies. The committee focuses on AI, advanced machinery, mobility, and energy infrastructure. KITA and UAE chambers signed MOUs to boost bilateral trade, with discussions held with UAE ministers to combine Korean technology and UAE capital, aiming to deepen economic ties and foster strategic partnerships. [Khaleej Times – Read more.](#)

UAE Minister advances strategic economic partnership with US Leaders

UAE-US non-oil trade reached USD 38 Bn in 2024, a 44.5% increase over five years, with USD 19.3 Bn in the first half of 2025. UAE Minister Dr. Thani Al Zeyoudi met US leaders in New York to strengthen economic ties, focusing on clean energy and aluminum investments. Key projects include a USD 25 Bn energy joint venture and a USD 4 Bn aluminum smelter, highlighting growing collaboration and mutual commitment to innovation and sustainable growth. [Arabian News – Read more.](#)

India and UAE strengthen economic ties with CEPA partnership

The UAE-India Business Council held a high-level meeting in Dubai with senior officials, including India's Commerce Minister Piyush Goyal and UAE's Dr. Thani Al Zeyoudi, to discuss the transformative impact of the Comprehensive Economic Partnership Agreement (CEPA). In H1 2025, CEPA drove USD 37.6 Bn in non-oil trade, up 33.9%. The agreement fosters growth in sectors like gems and jewelry, green energy, AI, and finance, positioning the UAE as a key investment hub for Indian businesses. [Gulf Business – Read more.](#)

Latest news (2/2)

UAE

UAE joins global initiative to strengthen investment and trade cooperation

Fourteen countries, including the UAE, have launched the Future of Investment and Trade (FIT) Partnership to promote open, fair trade and inclusive growth. The initiative aims to strengthen the rules-based trading system, enhance foreign direct investment, and address emerging trade challenges. FIT will focus on supply chain resilience, removing trade barriers, and integrating new technologies, operating as an agile, principles-based platform open to new members committed to these goals. [Emirates News Agency WAM – Read more.](#)

Lower borrowing costs could spark next phase of UAE real estate boom

The US Federal Reserve's signal of two more interest rate cuts in 2025 is expected to lower borrowing costs in the UAE, easing mortgage affordability and broadening demand beyond cash-rich investors. This could boost sales in Dubai and Abu Dhabi's property markets, supporting economic growth. While banks may face margin pressure, increased credit demand and mortgage innovation could sustain momentum. Regulators will balance growth with financial stability amid rising supply. [The National – Read more.](#)

UAE real estate sector drives economic growth with record sales

The UAE real estate sector remains a vital engine of economic growth, with Dubai residential sales rising 44.0% YoY in Q2 2025 and Abu Dhabi transactions increasing 46.0% in the same quarter. Strong foreign investment, especially in luxury properties, supports construction and real estate services, which significantly contribute to non-oil GDP. The sector's resilience amid easing growth and favorable policies underpins the UAE's economic diversification and sustained expansion. [Viewpoint EIU – Read more.](#)

UAE accelerates global renewable energy expansion and diversification

The UAE is rapidly expanding its renewable energy capacity both domestically and internationally, targeting a 10-GW bilateral collaboration with Malaysia and growing its footprint across more than 40 countries. Renewables now account for nearly 15% of the UAE's electricity supply. While green hydrogen plans are temporarily paused, the UAE is prioritizing solar and wind projects to diversify exports, support economic growth, and meet rising energy demand driven by sectors like AI and data centers. [Viewpoint EIU – Read more.](#)

CBUAE raises 2025 GDP growth forecast to 4.9% on oil recovery

The Central Bank of the UAE raised its 2025 GDP growth forecast to 4.9%, driven by higher oil production and strong non-oil sector momentum. Hydrocarbon GDP is expected to grow 5.8% in 2025, while non-oil growth remains steady at 4.5%. Inflation is easing, with a revised 2025 forecast of 1.5%. Beyond 2025, growth is projected to moderate to 5.3% in 2026, supported by continued rising investment and government spending. [Enterprise News – Read more.](#)

UAE launches council to drive logistics sector growth and integration

The UAE launched the Logistics Integration Council to enhance coordination among public and private stakeholders, aiming to boost the logistics sector's growth to 5.7% annually until 2031. The sector already contributes over 5% of GDP and 10% of non-oil GDP, supported by major players like DP World and AD Ports. Initiatives include digital platforms for maritime navigation and reducing red tape, reinforcing the UAE's ambition to be a leading global trade and logistics hub. [Viewpoint EIU – Read more.](#)

Spotlight

UAE develops new economic clusters



The UAE’s new clusters policy sets clear aims and a straightforward organizing idea.... On 17 September 2025, the Cabinet approved a National Policy for Economic Clusters that groups related industries and services, encourages each emirate to build on its strengths, and links them through a national network.¹ Five areas are in focus—Financial Services; Tourism & Hospitality; Space; Communications & Data Analytics; and Food.



The policy explains what a cluster is and how it is expected to help.... Official guidance defines clusters as concentrated groups of interconnected companies, suppliers, services, and related institutions, and highlights potential benefits such as stronger collaboration, easier access to innovation, better links to international markets, shared resources, and government support.² The government page also notes milestone ambitions over the next five years, including a contribution of AED 20–30 Bn to annual GDP, AED 15 Bn in additional foreign trade value, and 20,000 new jobs, indicating how implementation might be assessed.²



The headline targets may work towards the national goals set out in ‘We the UAE 2031’.... The vision sets economy-wide indicators such as raising GDP from AED 1.49 Tn to AED 3 Tn and increasing non-oil exports to AED 800 Bn by 2031.³ Positioning clusters to compete internationally may help align the more immediate delivery of these wider goals, even as outcomes will depend on sector dynamics and execution.^{2,3}



Recent policy tools could enable delivery by supporting investment and talent.... Reforms allow 100% foreign ownership in many mainland activities, removing the previous cap for a wide range of sectors.^{4,5} Long-term residency (Golden Visa) offers five- or ten-year stays for eligible investors and skilled professionals, aimed at firms to attract and retain talent.⁶ A federal public-private partnership law provides a framework intended to encourage private participation in strategic projects and guide projects through a standardized manual.^{7,8} Together, these enablers may help planned cluster projects move from design to delivery.

Sources : 1 WAM Article; 2 Ministry of Economy & Tourism (Cluster Strategy); 3 Ministry of Economy & Tourism (Future Economy); 4 UAE Government Portal; 5 Ministry of Economy & Tourism (100% ownership); 6 UAE Government Portal (Golden Visa); 7 Ministry of Finance PPP Law; 8 UAE Legislation Portal

Country profile | Qatar

QATAR

السعودية



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

QATAR



01

The non-energy PMI increased from 51.4 in July 2025 to 51.9 in August 2025, reflecting a more robust growth rate that exceeded the 12-month average of 51.7. This rise in the headline figure was primarily driven by a record increase in employment and a reduced rate of decline in new orders.

02

Qatar's GDP expanded by 1.9% in Q2 2025, compared to Q2 2024. This growth was led by the non-hydrocarbon sector, which grew by 3.4% and now accounts for 65.6% of GDP, underscoring the progress of the Vision 2030 diversification agenda. In stark contrast, the hydrocarbon sector contracted by 0.9% over the same 12-month period.

03

Qatar is reforming its laws and regulations governing businesses with the aim of making the country a more attractive destination for foreign direct investment. Reforms of bankruptcy and public-private partnership (PPP) laws are currently underway and are expected to significantly increase interest in Qatar amongst foreign investors in the medium-term.

Latest data releases



1.9% (+1.1 pp)
YoY Q2 2025

Real GDP growth¹

Real GDP grew by 1.9% YoY in Q2 2025, reaching QAR 181.8 Bn. The non-hydrocarbon economy grew by 3.4% YoY; the non-hydrocarbon share of GDP now stands at 65.6%, up 0.9 pp compared to Q2 2024, underscoring the ongoing diversification agenda under Vision 2030. 11 out of 17 sectors recorded positive growth YoY, led by forestry and fishing (+15.8%), accommodation and food services (+13.4%) and arts, entertainment and recreation (+8.9%). Meanwhile, hydrocarbon GDP contracted by 0.9% in the same period.



51.9 (+0.5 pts)
MoM August 2025

Non-energy PMI²

The non-energy PMI increased by 0.5 points to 51.9 in August 2025, signaling a stronger rate of growth in the non-energy private sector. The improvement in the headline figure was driven by the sub-indices for job creation and new orders. Non-energy firms created jobs at the highest recorded rate in survey history; meanwhile, even though new orders declined for the sixth time in 2025 so far, the latest decline was the slowest since June 2025, marking a relative improvement.



0.7% (-0.4 pp)
YoY August 2025

Headline inflation³

Headline inflation stood at 0.7% in August 2025, compared to 1.2% in August 2024. Nevertheless, this was the highest rate recorded thus far this year. Prices for utilities and transportation fell by 1.5% and 1.7% respectively. However, price rises in sectors like food and beverage (2.8%) and miscellaneous goods and services (10.5%) contributed towards an overall rise in inflation.

Sources: 1 NPC ; 2 S&P Global ; 3 NPC

Note: pp refers to percentage point

Latest news (1/2)

Strong retail demand spurs Qatar's economy

Resilient demand in Qatar's retail sector is helping to drive broader economic growth, as prime shopping malls report near-full occupancy and rising footfall in 2025. Retailers are seeing increased consumer spending per visit, while rental rates for units in prime retail destinations continue to climb. This marks a reversal of the trend of low occupancy and declining rents stemming from rapid development and high supply over the past decade. The recovery is being driven largely by domestic shoppers, though tourism is also playing an increasingly supportive role. [The Peninsula](#) - [Read more](#).

Offshore logistics expansion driven by maritime services, liquefied natural gas (LNG)

Qatar's offshore logistics market is poised for significant growth, with increasing investment in advanced shipping technologies, and port infrastructure. This expansion is driven by increasing demand for specialized maritime services, LNG support, and offshore energy operations. By developing a top-tier offshore services sector, the country is expanding beyond LNG exports into the wider marine and logistics value chain. The development of the offshore logistics market complements the expansion of the offshore North Field that is expected to boost Qatar's LNG exports by 40% by 2027. [The Peninsula](#) - [Read more](#).

India, Qatar to finalize terms of reference for free trade agreement in October

India and Qatar are expected to finalize the terms of reference (ToR) for a free trade agreement (FTA) by October 2025. The ToR of an FTA establishes the framework, scope, objectives, and procedures for the negotiations. Qatar's imports from India were worth USD 1.8 Bn and exports to India were valued at USD 12.9 Bn in 2023, with petroleum gas and crude petroleum accounting for the majority of exports. Qatar is also seeking investment opportunities in India, and the two countries have set a target to achieve bilateral trade of USD 28.0 Bn by 2030. [New Indian Express](#) - [Read more](#).

Diversification drive and LNG expansion to boost financial sector

Qatari banks are expected to benefit from the ongoing diversification agenda and the expansion of LNG production, with credit demand expected to grow across tourism, sporting events, and business exhibitions. The medium-term trajectory for Qatari banks remains underpinned by strong macroeconomic fundamentals, with non-hydrocarbon GDP growth expected to 3.6% next year and continued government support. Expanding LNG revenues, combined with the diversification agenda, are expected to sustain loan growth opportunities and improve funding resilience. [The Peninsula](#) - [Read more](#).

Total earnings for Qatari-listed companies see 3.8% gain in Q2

The total earnings for Qatari-listed companies increased by 3.7% in Q2 of this year compared to Q2 of 2024 to reach QAR 13.1 Bn. to reach USD 3.6 Bn, as compared to USD 3.5bn in Q2-2024. Concurrently, total earnings for H1 2025 grew by 2.3% to reach QAR 26.7 Bn compared to H1 2024. Companies in the consumer goods and services, real estate, insurance and telecommunication sectors recorded the highest Q2 and first-half growth rates in 2025 compared to the same period in 2024. These figures are a key indicator for the value being added by companies in Qatar. [Kamco Invest](#) - [Read more](#).

Qatar's infrastructure market poised for growth

The Ministries of Commerce and Industry (MoCI) and Transportation (MoT) in Qatar have announced that shipping companies can now consolidate land, sea, and air shipping activities under a single commercial registry. This integration, facilitated through the Single Window platform, aims to reduce costs, simplify procedures, and support logistics companies by allowing unified licensing and warehousing, thereby reducing the administrative burden and making it easier for companies in Qatar's growing logistics and warehousing sector to do business. [The Peninsula](#) - [Read more](#).

Latest news (2/2)

QATAR

Qatar and Sweden establish joint business council

The Qatar Chamber recently hosted a high-level business delegation from the Kingdom of Sweden, where the two countries agreed to establish a joint business council that will serve as a platform to bring together business leaders and companies from both Sweden and Qatar, facilitate joint investments and boost bilateral trade exchanges. Qatari-Swedish relations have seen significant growth over the past few years, particularly in sectors such as technology, innovation, renewable energy, and healthcare, and the discussions explored ways to deepen commercial and investment ties. [Economy Middle East - Read more.](#)

Qatar continues strengthening information and communication technology (ICT) sector

The Ministry of Commerce and Information Technology (MCIT)'s TASMU Accelerator, part of the Smart Qatar program, signed agreements with six organizations and attracted record global interest in its third cohort from startups in transportation, logistics, healthcare, environment, and smart cities aiming to enter the Qatari market. The TASMU Accelerator program is a flagship initiative of the MCIT that helps to advance the Digital Economy agenda under Vision 2030. The main goal of this program is increasing ICT talent in Qatar and boosting the GDP contribution within the ICT sector. [The Peninsula - Read more.](#)

Qatar Joins Gulf Rivals in Race for Africa's Critical Minerals

Qatari holding companies have announced investment commitments exceeding USD 100 in Zambia, Botswana, Mozambique, Democratic Republic of Congo (DRC), and Zimbabwe. These commitments cover sectors such as agriculture, tourism, infrastructure, energy, and mining. Africa houses 30% of the world's reserves of rare earth minerals needed to produce batteries and electric vehicles. These investments may be seen in the context of wider diversification goals and other GCC countries like UAE and KSA making similar investment commitments in Africa. [Ecofin Agency - Read more.](#)

UAE, Qatar sign MoU to develop cooperation in labour, human resources development

The United Arab Emirates (UAE) and Qatar signed a Memorandum of Understanding (MoU) to enhance cooperation, exchange expertise, and develop legislation in the fields of labor and human resources development. The MoU was signed at a GCC meeting in Kuwait City and its objectives involve developing improved methods and requirements for jobseeker registration and employment, advancing training projects, and rehabilitating national workforces and human resources. It also extends to joint governance of migrant labor within the UAE and Qatar. [Wam - Read more.](#)

Qatar's aviation sector continues to soar in August

Hamad International Airport recorded a 6.4% rise in passenger numbers in August 2025 compared to August 2024, reaching over 5 Mn passengers for the first time in a single month. Likewise, aircraft movements increased by 1.8% and cargo and mail traffic increased by 1.1% in August 2025 compared to August 2024. These figures align with broader trends of Qatar's growing appeal as a tourism and business destination, especially as point-to-point traffic to and from Doha increased by 2.3% in the first half of 2025, compared to the first half of 2024. [The Peninsula - Read more.](#)

Reduced working hours for mothers in government to enhance work-life balance

Qatar has approved reduced working hours whereby eligible female employees will be allowed to leave work two hours early during specific times in the academic year. These periods include mid-year school vacations, mid-term examinations for both semesters, as well as mid-year and end-of-year exams. This initiative is part of Qatar's broader efforts to promote flexible work practices, support Qatari families, and enhance the balance between professional responsibilities and family life, aligning with the social development pillar of Vision 2030. [Economy Middle East - Read more.](#)

Spotlight

Qatar's evolving FDI strategy



Attracting foreign direct investment is a key pillar in Qatar's diversification agenda... Qatar has set an ambitious target to attract a cumulative net USD 100 Bn in foreign direct investment (FDI) by 2030 as part of the Third National Development Strategy (NDS3). However, Qatar recorded a net FDI inflow of only USD 460.2 Mn in 2024. The Economist Intelligence Unit (EIU) predicts that Qatar will attract only USD 1.5 Bn of net FDI each year in 2026-2029. This is in stark contrast to Saudi Arabia, that is expected to attract USD 30.0-50.0 Bn, and the UAE, that is expected to attract USD 39.5-43.7 Bn in the same period. This makes Qatar heavily reliant on domestic financing to drive capital investment, with foreign investment accounting for just 1% of the total.¹ FDI is crucial to a country's economy not only as a source of capital but also for fostering technology transfer, enhancing managerial expertise, creating employment opportunities, and integrating the economy into global value chains.²



Qatar is currently in the midst of an ambitious reform program of its commercial and regulatory landscape to bolster its appeal as an investment destination... This legislative overhaul impacts 27 laws across 17 government bodies and includes the drafting of a long-anticipated bankruptcy law, new PPP legislation, and streamlined commercial registration rules. These measures are expected to significantly enhance predictability, legal certainty and ease of doing business for foreign investors in Qatar.³ Free zones have emerged as a cornerstone of Qatar's FDI strategy, with foreign ownership regulations liberalized to permit up to 100% foreign ownership in sectors registered within the Qatar Financial Centre (QFC) and other free zones, in addition to providing expedited dispute resolutions and tax holidays.⁴ Business setup fees in the QFC were also reduced by 90% earlier this year. Simultaneously, incentives for foreign investors are also being ramped up, underscored by a USD 1 Bn investment package announced by Invest Qatar in May 2025, which provides capital injections and up to 40% funding for projects in priority sectors like IT, digital and financial services and logistics, with the incentive amount supporting business setup costs, construction, office leases, equipment and employee-related expenses.⁵



Some short-term results are visible, but sustained reform is needed... New business registrations in the QFC surged 64% in the first half of 2025 compared to the same period in 2024, adding 828 new firms and bringing its total to over 3,300 businesses, positioning the QFC as both a regional rival to Dubai's and Abu Dhabi's financial hubs.⁶ However, sustained reform is necessary to position Qatar as a viable contender for FDI in the GCC. The bankruptcy and PPP reforms, in particular, are highly anticipated as they are expected to materially alter Qatar's FDI trajectory.⁷ Whilst the bankruptcy reforms are expected to provide legal certainty and predictability, PPPs play an increasingly important role in helping attract private investment into Qatar's projects while leveraging private-sector expertise to enhance cost-effectiveness and drive innovation. Whilst the substance of these reforms remains unknown, Qatar's Ministry of Commerce and Industry recently hosted a seminar discussing a draft version of the law with key stakeholders.⁸

Sources: 1 [Economist Intelligence Unit](#) ; 2 [World Bank](#) ; 3 [Reuters](#) ; 4 [The Peninsula](#) ; 5 [Invest Qatar](#) ; 6 [Qatar Financial Centre](#) ; 7 [Gulf Times](#) ; 8 [Qatar News Agency](#)

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

FTA – Free Trade Agreement⁵

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

QFC – Qatar Financial Centre⁶

QFC is an onshore business and financial center located in Doha, committed to promoting Qatar as a major business and commercial hub

27

TASMU Smart Qatar⁷

TASMU Smart Qatar is a national program aimed at developing smart solutions to improve the quality of life of its citizens and resident, focusing on rewarding grants to startups that can fuel Qatar's digital transformation

28

PPP – Public Private Partnerships⁸

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 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 QFC ; 7 TASMU Smart Qatar ; 8 PPP; 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.



©2025 Deloitte & Touche (M.E.). All rights reserved.

This communication contains information which is privileged and confidential. It is exclusively to the intended recipient(s). If you are not the intended recipient(s), please: (1) notify the sender by forwarding this email and delete all copies from your system and (2) note that disclosure, distribution, copying or use of this communication is strictly prohibited. Any erroneous disclosure, distribution or copying of this email communications cannot be guaranteed to be secure or free from error or viruses.

Deloitte & Touche (M.E.) (DME) is an affiliated sublicensed partnership of Deloitte NSE LLP with no legal ownership to DTTL. Deloitte North South Europe LLP (NSE) is a licensed member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of DTTL, its global network of member firms, and their related entities. DTTL (also referred to as “Deloitte Global”) and each of its member firms are legally separate and independent entities. DTTL, NSE and DME do not provide services to clients. Please see www.deloitte.com/about to learn more.

DME is a leading professional services organization established in the Middle East region with uninterrupted presence since 1926. DME’s presence in the Middle East region is established through its affiliated independent legal entities, which are licensed to operate and to provide services under the applicable laws and regulations of the relevant country. DME’s affiliates and related entities cannot oblige each other and/or DME, and when providing services, each affiliate and related entity engages directly and independently with its own clients and shall only be liable for its own acts or omissions and not those of any other affiliate.

DME provides services through 23 offices across 15 countries with more than 7,000 partners, directors and staff. It has also received numerous awards in the last few years such as the 2022 & 2023 Great Place to Work® in the UAE, the 2023 Great Place to Work® in the KSA, and the Middle East Tax Firm of the year.