

MEcon monthly updates
Saudi Arabia, UAE and Qatar

February 2026

Introduction



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February spotlight | Iran-Israel escalation – Impacts on economic sentiment

Since 28 February 2026, escalating geopolitical tensions in the Middle East—including KSA, UAE, and Qatar—have created unprecedented uncertainty and a severe security situation. Governments have imposed safety measures such as shelter-in-place orders and airport closures, disrupting economic activity. While short-term disruptions are expected, the long-term impact remains uncertain. This article outlines potential economic effects and key developments to consider alongside the country-specific updates in this report.

Challenges to sentiment across the region... The impact measures, including heightened security alerts and airspace closures on Middle Eastern economies, remain uncertain, particularly regarding their duration. Development strategies in GCC countries prioritize safety, stability, and quality of life as essential foundations for economic diversification and competitiveness. Governments' prompt responses to recent attacks underscore their commitment to these principles. While such events may temporarily heighten investor caution, affect tourism, and influence residents' sentiment, it is unclear whether these effects will be short-term or result in lasting economic consequences.



Investment sentiment: Amid escalating tensions, the UAE's stock markets closed on 2 and 3 March 2026 as a precaution, with the Capital Market Authority acting to safeguard market stability and protect the financial system^{1,3}. Following the escalation and heightened risks of rising oil prices, investors have increasingly sought safe-haven assets such as US Treasuries, gold, and the Swiss franc, moving away from equities and regional currencies. This shift signals heightened risk aversion among domestic and international investors in the financial markets. The short-term market direction remains highly sensitive to geopolitical developments. Continued escalation is likely to keep gold prices elevated, and further strengthen the US dollar, while any signs of de-escalation could trigger profit-taking and temporary market pullback^{4,5}.



Travel and tourism confidence: Dubai International, Zayed International (Abu Dhabi), and Hamad International (Doha) Airports temporarily halted operations, causing major disruptions at key global travel hubs. Over 1,800 Middle East flights were cancelled during the initial weekend, leading to widespread travel delays, stranded passengers, and significant logistical challenges for airlines and airports. Given these airports' roles as critical transit points connecting numerous international routes, the disruption had a substantial ripple effect on global travel and commerce. Key source markets like the UK issued travel advisories against non-essential travel, leading major European tour operators to cancel or suspend trips due to safety concerns. This reflects weakened short-term consumer confidence, though the long-term impact on sentiment remains uncertain².



Business caution: Reports indicate some temporary closures of business and implication of precautionary measures taken by businesses despite authorities emphasizing resilience. For investors and businesses, a more cautious stance might be adopted due to uncertain business environment, including reassessing risk premiums and delaying discretionary investments, among other measures^{2,4}.



Resident sentiment: In response to rising uncertainty and geopolitical tensions, Residents may adopt more precautionary behaviours, increasing purchases of essential goods (e.g., food, fuel, water, etc.) while reducing discretionary spending (e.g., retail, entertainment and luxury purchases) and boosting savings—particularly in cash—as a financial safety measure, prioritizing liquidity until stability is restored in the region^{6,7}.

Over time, if challenges to sentiment persist, ripple effects are likely to spread across a wide range of economic sectors, including those associated with tourism and hospitality, aviation, real estate, logistics and trade, and energy and petrochemicals.

Sources: 1 [Gulf markets react to Iran strikes while Kuwait halts trading](#) ; 2 [Airlines cancel hundreds of flights after U.S., Israeli attacks on Iran](#) ; 3 [How Middle East War is Driving Investor Backlash](#) ; 4 [UAE Gold Prices Soar Amid Middle East Tensions](#) ; 5 [U.S. dollar rises on safe-haven demand as oil prices surge](#) ; 6 [UAE hospitality businesses brace for impact of war](#) ; 7 [Uncertainty about Uncertainty](#)

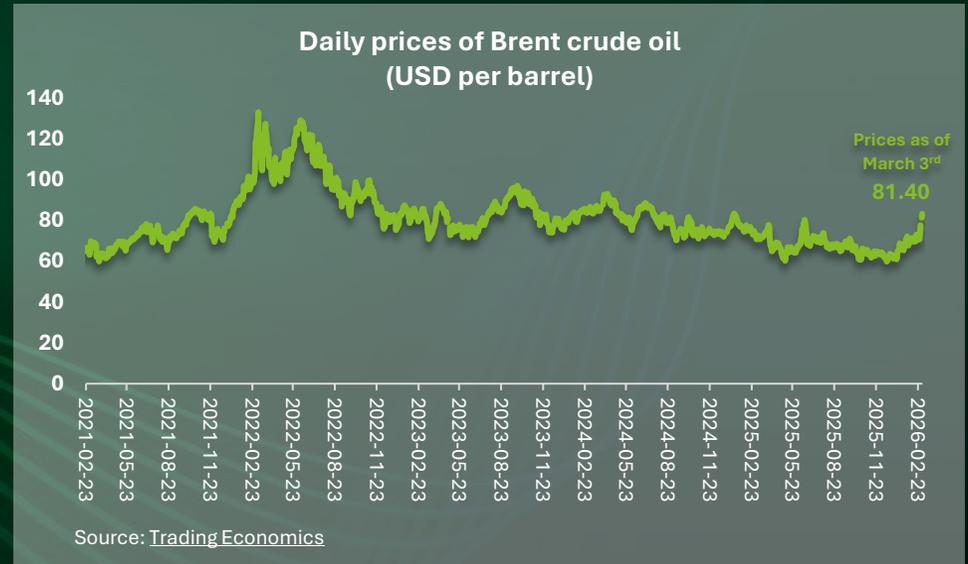
February spotlight | Iran-Israel escalation – Energy prices

In the days immediately preceding the escalation on 28 February, Brent prices hovered around USD 72–73 per barrel... Oil prices generally declined in 2025, averaging USD 69.1 per barrel—the lowest since 2020—as global supplies exceeded demand. This was driven by OPEC+ unwinding previous production cuts, increased output from non-OPEC+ countries, softening global demand, and inventory builds in China¹. On a monthly average basis, prices fell from USD 79.3 per barrel in January to USD 62.5 in December—the lowest monthly average since early 2021. In 2026, prices rose modestly to USD 66.6 in January, with further increases in February due to prior tit-for-tat strikes, despite weaker global demand. On 27 February, prices reached a seven-month high near USD 72.9 per barrel amid speculative concerns over supply disruptions from escalating tensions in the Middle East.^{1,2}

Since the escalation and amid rising geopolitical tensions in KSA, the UAE, and Qatar, along with concerns over disruptions in the Strait of Hormuz—a critical route for global energy shipments—Brent crude prices rose 13% to nearly USD 82 per barrel on 2 March, while European gas prices surged 42% over the same period... The escalation has increased the risk of disruptions to key maritime routes, particularly the Strait of Hormuz, through which around 35% of global crude oil and 20% of liquefied natural gas (LNG) transit. Potential blockages could disrupt energy exports from the Persian Gulf, reduce trade volumes, and delay shipping between Asia and Europe. In response, major shipping lines have suspended or diverted vessels from the strait, while insurers have issued war risk insurance cancellation notices for ships in the region, signaling a sharp rise in maritime risk and further impacting global trade and supply chains.^{3,4,5,6}

Moreover, the escalation has caused temporary shutdowns of key oil facilities, including Saudi Aramco's Ras Tanura refinery following an attack, raising concerns about broader regional impacts on petroleum infrastructure and shipping. On 2 March, Qatar also suspended LNG production at its Ras Laffan and Mesaieed Industrial City facilities. Combined with Iran's announcement of the Strait of Hormuz closure, these developments pushed gas prices higher, with regional variations: European gas prices surged 42% on Monday to a 12-month high of €45.5 per megawatt hour; the US Henry Hub benchmark rose 5.6%, and East Asia's JKM increased 1.1%. Together, these factors have heightened market volatility and embedded a short-term risk premium, contributing to rising global fuel prices.^{8,9}

Looking ahead, near-term volatility is likely to persist, with energy prices remaining sensitive to further military developments or shipping disruptions... Analysts anticipate oil prices could stay elevated in the USD 70–80 per barrel range, with some forecasts suggesting a rise towards USD 90–100 per barrel if tensions continue and shipping constraints worsen. Gas prices may also surge further, as the market is particularly vulnerable to regional escalations due to limited supply sources—around one-fifth of global LNG supplies pass through the Strait of Hormuz, nearly all from Qatar, the world's third-largest LNG exporter, destined for major economies in the Far East. Actual output from major producers and the security of transit through the strait will be crucial in determining whether the current price rise is temporary or more sustained. However, mitigation options exist, especially for oil exports: the UAE can divert some crude shipments via the Habshan–Fujairah pipeline, which bypasses the Strait of Hormuz, while Saudi Arabia's East-West pipeline to Red Sea terminals offers an alternative route. The extent to which these alternatives are utilized, alongside potential OPEC+ supply adjustments and global demand trends, will shape whether recent price spikes prove short-lived or more persistent.^{8,9}



Sources: 1 Crude oil prices fell in 2025 amid oversupply; 2 Brent Historical crude oil – Price; 3 Strait of Hormuz Tensions: Oil Shipments Halt Amid US-Israel-Iran Conflict; 4 Why insurers are rushing to cancel war risk covers; 5 The Strait of Hormuz: how would a closure impact trade?; 6 How the Iran-Israel Conflict Is Affecting Gulf Energy and Maritime Security; 7 Escalating risks: The ripple effect of the Iran conflict on supply chains; 8 Gas disruptions in Middle East send prices soaring; 9 Oil, gas and gold rise as conflict enters fourth day

February spotlight | Iran-Israel escalation – Economic indicators' implications

Trade^{1,2}

The escalation could disrupt trade through higher shipping risks, insurance costs, and logistics challenges around the Strait of Hormuz. While higher oil and LNG prices could boost Saudi and Qatari export revenues, tanker delays and rerouting may temporarily disrupt shipments. The UAE's role as a re-export hub could make it vulnerable to slower non-oil exports if shipping routes are affected. Although KSA and the UAE have alternative pipelines, all three remain import-dependent, with rising freight and insurance costs potentially increasing import bills and causing delays. Additionally, a potential US dollar appreciation due to the conflict could lower import costs for KSA but might make its exports more expensive for countries with floating exchange rates, potentially harming the trade balance.

Fiscal Balance³

Higher energy prices, driven by rising risks, could boost public revenues and improve fiscal balances in hydrocarbon-dependent budgets such as in KSA, Abu Dhabi, and Qatar. However, energy supply disruptions (e.g., Qatar halting LNG output; KSA's temporary shutdown of oil facilities), along with risk premiums on exports due to potential blockages of the Strait, could undermine expected earnings if production and export issues persist. Non-oil revenues may also be affected, as sectors such as tourism and hospitality, real estate—which are particularly important for Dubai—could experience a downturn. In addition, potential increases in defence and emergency spending, if the escalation persists or escalates, along with reconstruction costs, may raise public expenditure and place further pressure on fiscal balances.

GDP^{4,5}

In the short-term, heightened uncertainty and supply chain disruptions could dampen economic activity, particularly in trade-linked sectors such as manufacturing, retail, and wholesale. However, stronger energy revenues from higher prices may partly offset this by supporting oil GDP growth. Non-oil GDP growth is expected to slow across the three economies due to their sensitivity to geopolitical risks, with a more pronounced effect in the UAE—especially Dubai, which depends on aviation, hospitality, and tourism—compared to the more oil-dependent KSA. Since the escalation, some institutions have revised forecasts downward; for example, JPMorgan has lowered non-oil growth forecasts for the GCC by 0.3 pp, with the UAE seeing the largest cut of 0.5 pp, while others, such as the IMF, are still monitoring developments.

Inflation^{6,7}

The escalation's impact on consumer good prices—particularly energy pricing, including fuel and electricity, as well as food—may contribute to higher overall inflation in KSA, the UAE, and Qatar. Rising fuel and oil prices increase transportation and production costs across many sectors, which in turn lead to higher prices for goods and services. Simultaneously, elevated shipping costs—resulting from rerouting if the Strait is closed—along with higher insurance premiums and supply chain bottlenecks, could push up global goods prices. This would lead to imported inflation in these heavily food-import-dependent economies, which may be passed on to consumers, further intensifying inflationary pressures in the three countries. However, measures such as daily price and stock monitoring system that was announced by the UAE, could help curb inflation and illegal price hikes.

Employment⁸

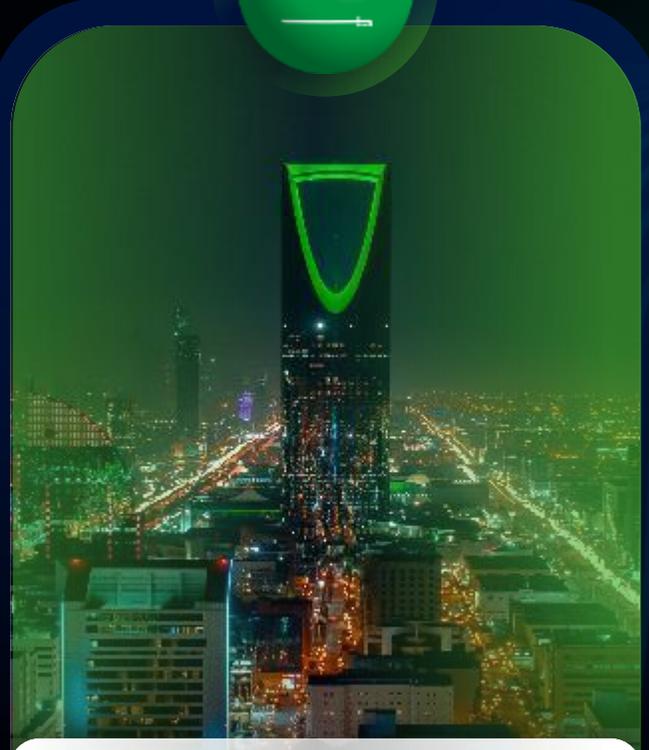
Heightened risks are likely to cause short-term disruptions to foreign labour supply by slowing expatriate inflows into KSA, the UAE, and Qatar, as workers may delay relocation or seek other opportunities due to safety concerns. Initially, these effects will mainly affect migration timing. Over time, risk perceptions could reduce willingness among foreign workers, especially high-skilled professionals, to stay or renew contracts. Labour demand may ease as companies in tourism, aviation, construction, and real estate pause hiring or apply temporary layoffs. Roles in energy, utilities, and infrastructure are generally more resilient. The overall impact depends on the escalation's duration and severity: prolonged tensions may lead to hiring freezes or workforce cuts outside energy, while shorter disruptions will likely cause only temporary moderation in employment and talent flows.

Foreign direct investments^{1,9}

Increased geopolitical risk could weigh on FDI and capital inflows into KSA, the UAE, and Qatar by raising risk premiums and market volatility. In the short-term, multinational firms may delay projects—especially in non-energy sectors like real estate and tourism—while portfolio investors might shift to global safe havens, increasing market volatility. Investor sentiment could weaken amid uncertainty, causing some high-net-worth individuals to pause investments. Historically, conflict risk slows net FDI inflows rather than causes mass exits unless security or financial stability is threatened. Overall, FDI impacts will depend on the escalation's duration and severity; short-term tensions may cause temporary delays, while prolonged instability could dampen medium-term investment in diversification sectors despite higher oil revenues.

Sources: 1 [The implications of the Israel-Iran conflict on GCC states](#) ; 2 [The Strait of Hormuz: how would a closure impact trade?](#) ; 3 [Qatar LNG, Saudi refinery halt](#) ; 4 [JPMorgan trims GCC non-oil growth forecasts](#) ; 5 [IMF Statement on the Middle East](#) ; 6 [How Strait of Hormuz Tensions Could Impact UAE's Prices](#); 7 [UAE Vows Constant Monitoring Price](#) ; 8 [The impact of armed conflicts on labour markets](#) ; 9 [The Influence of Geopolitical Risk on Investment](#)

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 February 2026 and reflect information prior to the escalations. Analysis related to that is focused on the escalations is concentrated in the spotlight section at the beginning of this document.

Country profile | Saudi Arabia

SAUDI ARABIA



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

SAUDI ARABIA



01

KSA's budget deficit in Q4 2025 widened to its highest level in five years, reaching SAR 94.8 Bn (~7.5% of GDP), pushing the full-year deficit to SAR 276.6 Bn (~5.5% of GDP), 2.7 times higher than the initially projected SAR 101.0 Bn for 2025. Overall revenue fell 11.7% YoY in 2025, driven by declining oil revenues amid falling prices, while government spending rose 1.0%, particularly in priority sectors such as education, health, social development, public administration, and the military. The widened deficit pushed public debt to SAR 1.5 Tn at the end of 2025, a 24.9% increase from 2024, as KSA increased borrowing to finance the fiscal gap and development projects.

02

In response to rising fiscal pressures and aligned with the government's 2026 shift to a "deficit by design", strategy focused on spending efficiency to support Vision 2030 goals; the Public Investment Fund (PIF) unveiled its new 2026–2030 strategy. This strategy prioritizes sectors with more immediate revenue potential—such as tourism, AI, minerals, and logistics—while scaling back futuristic mega-projects like NEOM. The appointment of a senior PIF executive as the new investment minister further underscores this pragmatic approach, aiming to attract global capital, boost foreign direct investment, and address ongoing fiscal challenges.

03

This strategic shift is reflected in recent developments highlighting KSA's commitment to economic diversification and sustainable growth under Vision 2030. For example, PIF's Humain invested USD 3 Bn in Elon Musk's xAI to advance the Kingdom's role in the global AI ecosystem. KSA also partnered with the UN Development Programme (UNDP) to enhance efficiency and quality in the roads sector, improving transport infrastructure and connectivity. In tourism, Jeddah and Taif were named World Region of Gastronomy 2027, promoting cultural heritage, sustainability, and economic diversification while boosting the Kingdom's appeal as a diverse and authentic travel destination.

Latest data releases

SAUDI ARABIA



56.3 (-1.1 pp)
MoM Jan' 2026

Non-oil PMI¹

The non-oil PMI eased to 56.3 in January 2026 from 57.4 in December, marking a six-month low but staying in expansionary territory. Business activity and new orders grew strongly, supported by resilient domestic demand. Export orders rose at the fastest pace since October 2025. Employment growth remained positive but slowed to its weakest pace in a year. Cost pressures increased for the second month, driven by higher prices for inputs, materials, fuel, and staff. Business confidence improved but stayed below its long-term average, showing cautious optimism for 2026.



1.8% (+0.1 pp)
YoY Jan' 2026

Headline inflation²

The inflation rate reached 1.8% in January 2026, representing an increase of 0.1 pp compared to January 2025, but a decrease of 0.2 pp from the previous month. This YoY rise was primarily driven by higher price increases in housing, water, electricity, gas, and fuel (+4.2%), insurance and financial services (+3.3%), recreation and sports (+2.3%), education (+1.6%), and transport (+1.5%). Conversely, prices declined in January for furnishings and household equipment (-0.3%) and health (-0.1%).



SAR 31.7 Bn (+7.4%)
YoY Dec' 2025

Non-oil exports^{3,*}

In December 2025, KSA's total trade balance increased by 7.1% YoY to SAR 13.0 Bn, driven by rising good exports which outweighed increase in goods imports. Specifically, goods exports grew by 3.0%, supported by a 7.4% YoY increase in non-oil exports—including chemical products and re-exports such as machinery and electrical equipment—and a 1.0% rise in oil exports. Conversely, goods imports increased by 2.4% YoY, with machinery and electrical equipment accounting for 31.5% of total imports, followed by transport equipment at 16.2%.



SAR 94.8 (+ 64.5%)
YoY Q4 2025

Budget balance⁴

In Q4 2025, KSA recorded a budget deficit of SAR 94.8 Bn (~7.5% of GDP), up from a SAR 57.7 Bn deficit (~4.9% of GDP) in Q4 2024, marking the highest deficit in 5 years. This increase was primarily driven by an 8.6% YoY decline in revenue during the period, with oil revenues falling by 9.8%, largely due to lower oil prices, alongside a 7.2% drop in non-oil revenues. Meanwhile, government expenditure rose by 3.1%, reflecting increased spending across most categories, including non-financial assets (CAPEX), subsidies and grants.

Sources: 1 Trading Economics - KSA Non-Oil PMI ; 2 GASTAT Annual inflation ; 3 GASTAT Non-Oil Exports ; 4 MoF-Budget

Note: pp refers to percentage point

Latest news (1/2)

SAUDI ARABIA

PIF's new 2026-2030 strategy unveiled

PIF has unveiled its 2026–2030 strategy, valued at USD 925 Bn, marking a shift from Vision 2030's futuristic focus to a more pragmatic approach. The strategy prioritizes tourism, artificial intelligence (AI), minerals and mining, and industrial and logistics, while scaling back major projects like NEOM. This adjustment aligns development goals with current fiscal realities, as oil revenues remain below levels needed to fully fund the original Vision 2030 plans. It also aims to attract global capital and partnerships with international asset managers, reflecting KSA's response to fiscal pressures. [Business Today – Read more.](#)

KSA and Kuwait launch joint business council to promote bilateral trade and investments

The Federation of Saudi Chambers has launched the first joint Saudi-Kuwaiti Business Council to strengthen economic ties and boost trade and investment between the two countries. The council will develop a strategic action plan aligned with KSA's Vision 2030 and Kuwait's Vision 2035, focusing on priority sectors and investment opportunities to enhance bilateral cooperation and market access. Trade between KSA and Kuwait reached SAR 9.5 Bn by November 2025, and the council aims to further support business growth and partnerships through coordinated efforts with government agencies. [Zawya – Read more.](#)

New investment Minister appointed to support shifting investment strategy

KSA has appointed Fahd bin Abduljalil bin Ali al Saif, a senior executive at PIF, as its new investment minister. This appointment coincides with a strategic shift away from Vision 2030's large-scale futuristic projects towards sectors with more immediate revenue potential. The change reflects ongoing fiscal pressures and a government emphasis on increasing foreign direct investment (FDI), which reached USD 32 Bn in 2024 but remains below the USD 100 Bn annual target set for 2030. The new appointment is expected to support KSA's efforts to attract global capital and address fiscal challenges during this period. [Financial Times – Read more.](#)

KSA's foreign reserves reached their highest level in six years in January

In January, KSA's foreign reserves rose 3% MoM to ~SAR 1.8 Tn, reaching a six-year high and a 10% increase YoY. Foreign currency reserves, the largest component, increased by 10% YoY in January, while IMF reserves and Special Drawing Rights (SDRs) grew by 9% and 5%, respectively. This steady growth strengthens KSA's fiscal and monetary buffers, supports the national currency and financial stability, boosts investor confidence in the riyal's peg to the US dollar, improves the sovereign credit profile, lowers borrowing costs, and provides essential fiscal space to manage global economic challenges while advancing Vision 2030. [Arab News – Read more.](#)

New agreements signed to boost sustainable industrial growth

The Saudi Authority for Industrial Cities and Technology Zones (MODON) signed six industrial, investment, and logistics agreements worth over SAR 1 Bn during a visit to Sudair Industrial and Business City. The deals cover localization of pipe manufacturing, pharmaceutical production, specialized industrial vessels, and logistics services across more than 671,000 sq m. Additional agreements focus on workforce training and shared logistics services. These initiatives support the National Industrial Strategy's objectives to reinforce the industrial base, enhance supply chains, and increase the sector's GDP contribution. [Zawya – Read more.](#)

KSA and UNDP signed a deal to boost road sector

Saudi Arabia's Roads General Authority signed a Memorandum of Understanding (MoU) with the UNDP to boost cooperation and international partnerships in the roads sector. The agreement aims to improve sector efficiency, align local standards with global best practices, and foster innovation, safety, and quality in the Kingdom's road network. Key goals include reducing road fatalities to under five per 100,000 people, reaching sixth place globally in the Road Quality Index by 2030, and meeting international traffic safety standards. [Arab News – Read more.](#)

Latest news (2/2)

SAUDI ARABIA

Greater flexibility introduced to contract with firms without regional headquarters in KSA

Saudi Arabia has introduced greater flexibility into its investment environment by allowing government entities, under strict conditions, to seek exceptions when contracting with international companies that do not have a regional headquarters in the Kingdom. This measure aims to balance the enforcement of the “regional headquarters relocation” policy, effective since early 2024, with the needs of technically specialized projects or those facing intense price competition, while safeguarding spending efficiency and ensuring the delivery of critical projects. [Gulf News – Read more.](#)

New fund launched to enhance the sustainability of KSA’s nonprofit sector

KSA launched the Namaa Endowment Fund to boost the sustainability of its nonprofit environmental sector. The fund supports economic and social development, increases the nonprofit sector’s GDP contribution, and promotes environmental sustainability aligned with Vision 2030. It combines traditional endowment values with modern investment strategies to finance initiatives like water conservation, afforestation, biodiversity, and food waste reduction. With a SAR 100 Mn initial contribution and government backing, the fund encourages private and public participation through a secure online platform and aims to invest in entrepreneurship and strengthen nonprofit roles within the ministry. [Zawya – Read more.](#)

PIF’s Humain Invests USD 3 Bn in xAI to Boost KSA’s Global AI Position

Humain, an AI company owned by PIF, invested USD 3 Bn in Elon Musk’s xAI shortly before the startup was acquired by SpaceX. This transaction reflects PIF’s broader push to position the Kingdom as a central hub in the global AI ecosystem, aligned with its Vision 2030 diversification strategy. Through Humain, PIF combines capital investment, infrastructure development, tech partnerships, and domestic capacity building to reduce oil dependence and grow advanced industries. The USD 3 Bn commitment offers potential for long-term capital gains while reinforcing PIF’s role as a strategic, scaled investor in transformative technologies. [Arab News – Read more.](#)

USD 40 Mn donated to housing campaign to boost homeownership in the Kingdom

King Salman and Crown Prince Mohammed bin Salman launched the “Generosity from Us and Within Us” housing campaign, donating SAR 150 Mn via the Jood Eskan platform to support families across KSA. Since 2021, the platform has grown to assist over 50,000 families with contributions exceeding SAR5 Bn from 4.5 Mn donors. The campaign supports Vision 2030’s goal to raise homeownership to 70% by 2030. Following the Crown Prince’s SAR 1 Bn donation in 2025, the Developmental Housing Foundation (Sakan) began phased housing handovers nationwide, aiming to complete projects within 12 months while ensuring quality and efficient beneficiary access. [Arab News – Read more.](#)

New investments in energy, aviation, real estate and telecommunications in Syria

KSA launched an investment fund committing SAR 7.5 Bn to develop two airports in Aleppo over multiple phases. The Elaf Fund will finance large-scale projects with Saudi private-sector participation. In aviation, Saudi budget carrier flynas and the Syrian Civil Aviation Authority agreed to establish “flynas Syria,” a joint venture with 51% Syrian and 49% flynas ownership. KSA’s telecom operator STC will also invest over SAR 3 Bn (USD 800 Mn) to expand Syria’s fiber-optic network by more than 4,500 kilometers. These investments aim to strengthen KSA’s regional influence and long-term growth prospects while supporting regional stability. [Alarabiya – Read more.](#)

Jeddah and Taif named 2027 world region of gastronomy

Jeddah and Taif have been awarded the World Region of Gastronomy 2027 title by the International Institute of Gastronomy, Culture, Arts and Tourism (IGCAT) for their efforts in preserving culinary heritage, supporting biodiversity, empowering youth, and promoting sustainability. Following a thorough evaluation and building on the Asir region’s 2024 success, the award recognizes KSA’s commitment to using gastronomy to drive economic diversification, cultural identity, and responsible tourism, while fostering international collaboration and innovation in the food sector. [Arab News – Read more.](#)

Spotlight

Transformation of the Saudi sports sector



KSA's sports sector is a strategic pillar of Vision 2030, driving economic diversification and social transformation... Substantial investments in sports, including hosting major international events like the FIFA World Cup, Formula 1, and high-profile boxing matches drive job creation across various sectors such as tourism, hospitality, event management, and construction. These events also have the potential to attract foreign direct investment and boost domestic spending by enhancing KSA's global profile and economic infrastructure. Furthermore, developing sports infrastructure and promoting sports tourism are key to increasing visitor numbers and raising the Kingdom's global profile. By 2030, the sports market is estimated to reach USD 22.7 Bn, nearly triple its value in the late 2010s, and its GDP contribution is expected to reach 3.0% and create over 100,000 new roles.^{1,2} Beyond economic benefits, the sports sector promotes healthier lifestyles, aligning with Vision 2030's goals for improved public well-being. It can also drive social transformation and inclusivity, as shown by female participation increasing by 150% since 2015. The Saudi Sports for All Federation has played a significant role, supporting the launch of women's only sports clubs in 2019, the formation of 37 national women's teams, and the certification of 97 female coaches.^{1,6}



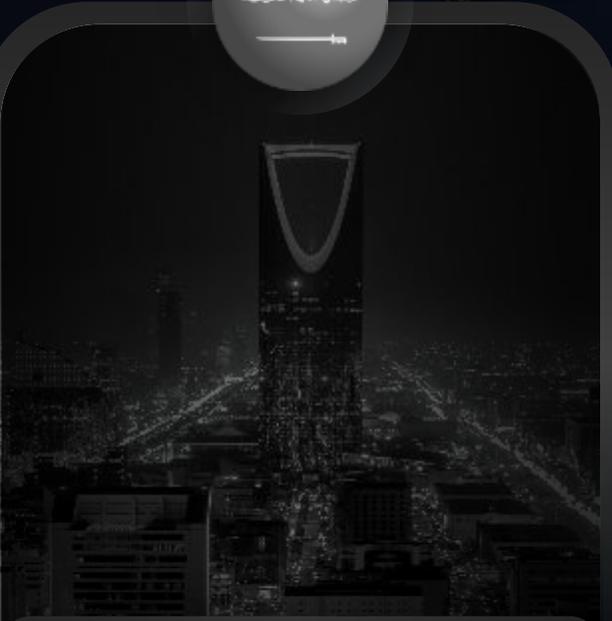
Clear government direction and PIF investments in sports have helped drive public engagement, boost attendance, and stimulate economic growth... Growth to date has been supported by clear government direction outlined in Vision 2030 and complemented by substantial financial support by PIF. PIF investments have included large infrastructure projects like football and multi-sport stadiums, and its majority stakes in major Saudi football clubs and financial backing of LIV golf have helped attract global sports stars.⁷ This combination has supported public engagement in sports, increasing the attractiveness of domestic leagues and international sports events, drawing crowds to stadiums, and boosting viewing figures. As an example, economists at the University of Reading found that Ronaldo helped fill an additional 20.0% of seats in his home stadium when he played, and Saudi Pro League broadcast revenue has increased by 20.0% over the past two seasons.^{8,9} Sports events can thereby create a high-multiplier effect, expand the sports markets and generate new business opportunities (e.g. broadcasting). This in turn, boosts spending across related sectors like tourism, hospitality, aviation, and retail, accelerating non-oil growth.

KSA's 2026 budget addresses growth challenges related to self-sufficiency by shifting sports funding to domestic talent and ecosystems... Sustaining growth may be challenging as KSA is newcomer compared to established markets - it is still developing a sports culture, domestic talent pipelines, and its hot climate adds complexities. Reliance on imported talent and international events also raises concerns about the sector's economic self-sufficiency.³ However, the 2026 budget shifts funding and priorities away from international events and infrastructure towards developing domestic sports ecosystems and talent programs. This shift coincides with a tightening in investment capacity, resulting in the continuation of infrastructure development for key events like the 2034 FIFA World Cup, but projects with longer payback periods like Trojena, (the USD 50 Bn ski resort, and the fourth most expensive of the thirty-three Vision 2030 projects) being scaled back or delayed.^{4,5} This approach enhances self-sufficiency, reduces reliance on costly international events, and stimulates broader economic and social benefits from increased local participation and sports-related industries. The budget also supports investments in climate adapted sports facilities and digital sports. Notably, KSA's focus on e-sports engages younger demographics, leverages technological innovation, and creates new economic opportunities in the digital sector. Collectively, these initiatives signal a more sustainable and self-sufficient approach that addresses growth challenges and positions KSA to achieve diversification, social transformation, and global competitiveness.⁴

Sources: 1 Investsaudi; 2 Saudisportconsulting; 3 Opportunities and Challenges for Saudi Arabia's Sports Diplomacy, Gulf Research Center, 2025; 4 2026 budget; 5 Saudi Arabia further scales down giga-projects, EIU, 2026; 6 Saudi women's sports: From vision to victory; 7 Saudi Sports Industry: Saudi Pro League, F1, LIV Golf, and FIFA 2034; 8 Cristiano of Arabia: Did Ronaldo increase Saudi Pro League attendances?, University of Reading, 2023; 9 SportsPro, 2025

Country profile | United Arab Emirates

UAE



Saudi Arabia



United Arab Emirates



Qatar

Key highlights

UAE



01

The UAE's economy continues to demonstrate robust growth and diversification, with GDP rising 5.1% to USD 381.2 Bn in the first nine months of 2025. This growth is driven primarily by strong performances in finance, construction, and real estate sectors. Advanced data technologies have played a crucial role in enhancing economic policy efficiency, enabling sustainable growth despite global challenges. Backed by sound fiscal management and investor confidence, the UAE maintains its position as a leading economic hub within the GCC with strong investor confidence, supported by the addition of 35,000 new companies in Dubai alone.

02

Non-oil sectors are supporting growth, projected to expand by more than 5.5% in 2026 and to comprise 78% of the UAE's GDP. This resilience is reflected in a surge of new company registrations, including a nearly 40% increase at Dubai's International Financial Centre (DIFC) in 2025, which now hosts over 8,800 active firms. Nationwide, company registrations have more than doubled in the past five years, reaching 1.45 Mn and expected to hit 2 Mn by 2031. These trends underscore the UAE's success in fostering a dynamic and diversified business environment that appeals to global investors.

03

The UAE's business environment is further strengthened by targeted initiatives supporting startups, innovation, and infrastructure development. The Economic Integration Committee is advancing legislation to boost startups and the silver economy, while Dubai's Roads and Transport Authority has expanded connectivity with a new AI-powered corridor, improving traffic flow and benefiting over 80,000 residents. Additionally, Sharjah posted a 34% surge in new business licenses in 2025, reflecting growing entrepreneurial activity across the emirates. These developments highlight the UAE's ongoing commitment to enhancing economic competitiveness and sustainable growth.

Latest data releases (1/2)

UAE



54.9 (+0.7pts)
MoM Jan' 2026

Non-oil PMI¹

The UAE's non-oil sector started 2026 strongly, with the PMI rising to 54.9 in January, up from 54.2 in December 2025. New orders grew at their fastest pace in nearly two years, driven by stronger domestic demand. However, input costs reached an 18-month high while selling prices stayed flat, suggesting that businesses absorbed higher costs to remain competitive in a growing market.



7.7% (+3.9 pp)
YoY Q3 2025

Abu Dhabi GDP growth²ⁱ

Abu Dhabi's real GDP grew by 7.7% YoY in Q3 2025, a notable acceleration from 3.8% YoY in Q2 2025. This was driven by strong performances across both oil and non-oil sectors. Mining and quarrying grew 7.8%, a sharp turnaround from near-stagnant growth of 0.4% in Q2. Non-oil GDP also strengthened, rising 7.6%, compared to 6.6% previously, with construction (14.0%), transportation (13.8%), and real estate (13.1%) all recording double digit growth.



1.6% (+0.1 pp)
YoY Jan' 2026

Abu Dhabi inflation²ⁱⁱ

Abu Dhabi's annual inflation rate edged up to 1.6% in January 2026, from 1.5% in December 2025. Housing, which carries the largest weight in the basket, remained the main driver, rising 4.5%. Food and beverage prices accelerated notably, reaching 1.7% after a modest 0.6% in December. Transport shifted into deflation at -2.6%, while clothing prices continued to fall (-8.4%), though at a softer pace.



29% (+13% pp)
YoY 2025

Abu Dhabi economic licenses³

In 2025, Abu Dhabi's new economic licenses increased by 29% compared to 2024. This was driven by significant growth in key categories, including a 122% rise in occupational licenses and a 70% rise in freelancer licenses. The 'Mobdea' license for Emirati women entrepreneurs grew by 32%. Additionally, renewed business licenses increased by 20%, reflecting sustained business activity and confidence in the emirate's economy.

Source: 1 [S&P Non-Oil PMI](#); 2 [Statistical Centre of Abu Dhabi \(i, ii\)](#); 3 [Abu Dhabi Media Office](#)

Note: pp refers to percentage point

Latest news (1/3)

Dubai financial center new registrations rise nearly 40% in 2025

DIFC saw a nearly 40% rise in new company registrations last year, reaching 1,525, driven by firms such as hedge funds. The total active firms grew 28% to around 8,840, including 557 wealth and asset management companies attracted by Dubai's business-friendly environment and tax advantages. DIFC plans a USD 27 Bn expansion by 2040 funded by its USD 400 Mn net profit, internal resources, and potential capital market issuances.

[Reuters](#) – [Read more.](#)

UAE's Greenfield FDI surged 78% YoY to reach a record USD 33.2 Bn in 2025

From 2021 to 2025, the UAE attracted USD 98.4 Bn in greenfield FDI across 5,603 projects, ranking second globally in project count and third as a source of outbound FDI capital with USD 109.23 Bn. Dubai led inbound projects by being the second-largest recipient of greenfield FDI projects globally, while Ras Al Khaimah attracted the largest capital, notably a USD 10 Bn smart manufacturing hub from India's Erisha E-Mobility. Key sectors included automotive original equipment manufacturer. and communications. Outbound investments focused on communications and real estate, with major projects in France and the US. [Emirates NBD](#) – [Read more.](#)

UAE GDP surges 5.1% to USD 381.2 Bn in first nine months of 2025

The UAE's GDP grew 5.1% to USD 381.2 Bn in the first nine months of 2025, with non-oil GDP rising 6.1%, driven by finance, construction, and real estate. Advanced data technologies enhanced economic policy efficiency, supporting sustainable growth amid global challenges. The UAE leads GCC economic performance, backed by strong fiscal management and investor confidence, including 35,000 new companies in Dubai. Growth forecasts for 2026 remain positive, supported by trade integration and tourism. [Economy Middle East](#) – [Read more.](#)

UAE strengthens economic competitiveness with new measures

The UAE's Economic Integration Committee, chaired by Minister Abdulla bin Touq Al Marri, focused on enhancing economic competitiveness through advanced legislation, supporting startups, and expanding the silver economy. A new Economic Legislation Team was approved to provide technical and legal advice and streamline lawmaking, offering guidance on initiatives aiming to boost SME contributions and develop the silver economy, which the committee affirmed aligns with objectives of the "Year of the Family 2026" and improves national economic data integration. [Economy Middle East](#) – [Read more.](#)

UAE economy to grow over 5 percent in 2026 alongside 5.5 percent expansion in non-oil sectors

The UAE economy is projected to grow over 5% in 2026, with non-oil sectors expanding by more than 5.5%, comprising 78% of GDP, according to Minister Abdulla bin Touq Al Marri. This growth reflects the country's economic resilience, diversification, and strategic reforms enhancing the business environment. Company registrations have more than doubled in five years to 1.45 Mn, expected to reach 2 Mn by 2031, reinforcing the UAE's appeal to global investors and family businesses. [ZAWYA](#) – [Read more.](#)

UAE ranks third globally in AI adoption as usage surges to 56%

The UAE ranked third globally in AI adoption in 2025, with a 56% adoption rate driven by rapid growth in AI app downloads and widespread use across government and business sectors. This progress stems from the country's early AI strategy launched in 2017 and ongoing initiatives under its AI Strategy 2031. Strong digital infrastructure, government support, and a digitally skilled workforce underpin the UAE's position as a leading AI hub in the Middle East. [Khaleej Times](#) – [Read more.](#)

Latest news (2/3)

JPMorgan Says UAE Is too rich to be an emerging market

JPMorgan Chase & Co. will remove the UAE from its emerging-market (EM) bond indexes after the country exceeded wealth thresholds for three consecutive years. The UAE, which accounts for 4.1% of JPMorgan's global diversified EM bond universe, will exit in four equal phases starting March 31 and will also leave the euro-denominated bond index on that date. This change reflects the UAE's developed-market-level per capita income – around USD 54,000 in 2024 – and strong credit ratings (Aa2 Moody's, AA S&P, AA- Fitch). While EM-focused funds will sell UAE bonds, demand should reduce any short-term impact. [Bloomberg](#) – [Read more.](#)

Dubai's property market hits historic USD 19.7 Bn sales milestone in record start to 2026

Dubai's property market began 2026 with record sales of AED 72.4 Bn (USD 19.7 Bn), driven by a 90% rise in primary market activity and a 38% increase in secondary market values. Off-plan property values surged 128% YoY, reflecting strong investor confidence, while ready property values also grew significantly. The mortgage market remains robust, supported by lower interest rates that enhance borrowing capacity. Affluent buyers favor premium villas, while apartments remain popular for affordability and practicality. [Economy Middle East](#) – [Read more.](#)

UAE enters top 3 places to live globally

The UAE has risen to joint second place in Henley & Partners' 2026 Global Residence Program Index, marking its first entry into the top three. This reflects its growing status as a global wealth hub, strong tax competitiveness, high quality of life, and clear residence policies. The shift signals a broader trend of globally mobile investors favoring diverse jurisdictions beyond Europe, with residence programs increasingly seen as strategic tools for attracting long-term investment and innovation. [Gulf News](#) – [Read more.](#)

Dubai's healthcare ecosystem posts record growth in 2025

Dubai's healthcare sector grew over 8% in 2025, with licensed facilities rising to approximately 5,800 and the private healthcare workforce exceeding 69,400 professionals. This expansion reflects investor confidence and Dubai's regulatory environment. The sector's development supports the emirate's vision to become a global hub for advanced healthcare, attracting top medical talent and enhancing infrastructure, specialized services, and health tourism, aligned with Dubai's broader future healthcare goals. [Government of Dubai Media Office](#) – [Read more.](#)

UAE isn't panicking over the US' 15% tariff hike threat, here's why

The US threat to raise its global baseline tariff from 10% to 15% is seen in the UAE more as a catalyst for accelerating strategic diversification towards Asia, Africa, and intra-GCC trade. Experts highlight the UAE's reliance on comprehensive economic partnership agreements (CEPAs) to mitigate trade uncertainty. Some view the tariff hike as another potentially delayed threat, with limited direct impact on the UAE, which functions mainly as a logistics and re-export hub. Indirect risks include global economic uncertainty, inflation, and asset price effects. [Enterprise AM](#) – [Read more.](#)

Dubai Chambers expands access to advanced fintech solutions for SMEs

Dubai Chambers has partnered with four fintech firms – Mamo, Qashio, Pemo, and Vault – to provide SMEs with advanced financial tools, including alternative savings, corporate cards, working capital loans, and online payments. The collaboration involves workshops, incentive programs, and training to promote digital adoption and financial innovation. These initiatives aim to improve SME operational efficiency, support sustainable growth, and strengthen Dubai's position as a global hub for innovation-driven commerce. [Economy Middle East](#) – [Read more.](#)

Latest news (3/3)

Dubai expands road network with new Al Rowaiyah corridor

Dubai's Roads and Transport Authority (RTA) has completed a 3.5 km extension of Al Rowaiyah Street, linking Sheikh Mohammed bin Zayed Road with Sheikh Zayed bin Hamdan Al Nahyan Street. The project improves connectivity for areas including Dubai Silicon Oasis, Nadd Hessa, and Dubai International Academic City. It features a new signalized intersection, 2 km of cycling tracks, and increases traffic capacity by 40%, reducing travel time by 60%, benefiting over 80,000 residents by 2030. [Roads and Transport Authority – Read more.](#)

Dubai welcomes 19.6 Mn visitors in third record year

Dubai welcomed 19.6 Mn international visitors in 2025, a 5% increase from 2024, supported by strategic partnerships, global campaigns, and major events. The city's hotel sector expanded to 154,264 rooms with rising occupancy and revenue. Dubai maintained its status as a top global destination, receiving multiple awards and advancing sustainability initiatives. Looking ahead, infrastructure projects and cultural events will support continued tourism growth aligned with the Dubai Economic Agenda, D33. [Dubai Department of Economy and Tourism – Read more.](#)

Aldar, Mubadala complete joint venture to establish AED 10 Bn retail champion in Abu Dhabi

Aldar and Mubadala Investment Company have completed a joint venture to create a premier retail platform in Abu Dhabi, combining Yas Mall and The Galleria Luxury Collection with a combined asset value of AED 10 Bn. Managed by Aldar, the platform aims to enhance Abu Dhabi's luxury retail ecosystem and complements the AED 60+ Bn Al Maryah Island expansion. The partnership strengthens their strategic collaboration and focuses on elevating customer experiences and operational synergies. [Emirate News Agency WAM – Read more.](#)

Sharjah posts 34% surge in new business licenses in 2025

Sharjah's business environment grew significantly in 2025, with new business licenses surging 34% and total economic establishments reaching 84,443. Foreign-owned licenses rose 18%. Home-based, e-commerce, and professional licenses also saw notable increases. The Sharjah Economic Development Department enhanced services with initiatives like the "Instant License" and "Elite" programs, for senior citizens and Emiratis, achieving a 96.8% customer satisfaction, and supporting the emirate's diversified, innovative, and sustainable economic growth. [Economy Middle East – Read more.](#)

Spotlight

Hedge funds and asset managers flow in



New company registrations at the DIFC rose nearly 40% in 2025, driven by an influx of hedge funds, wealth managers, and family offices into the free zone, reflecting the broader growth across the UAE's principal financial hubs like the Abu Dhabi Global Market (ADGM)....¹ DIFC now hosts 102 hedge funds (81 managing over USD 1 Bn), up from roughly 50 at the start of 2024.² Man Group (managing USD 214 Bn), Balyasny (USD 29 Bn), Rokos (USD 22 Bn), and Brevan Howard all announced UAE expansions in late 2025; Brevan Howard confirmed Abu Dhabi as its largest global hub, with approximately USD 10 Bn under management and 150 staff.^{2,3} Firms are relocating portfolio managers, trading desks, and compliance teams under DIFC and ADGM licenses, directly advancing D33, Dubai's economic agenda to be fulfilled by 2033, which aims to position Dubai among the world's top four financial centers and contribute to We the UAE 2031's target of doubling GDP to AED 3 Tn.⁴



London and Singapore are the two largest global hedge fund centers outside New York, and both are experiencing direct talent outflows to the UAE. Hedge fund compensation is heavily weighted toward carried interest and performance fees, taxed as capital gains; the UK's increase to 24% therefore directly reduces take-home pay for senior fund professionals, and it is reported the UK is experiencing its most significant financial sector job losses to the UAE.⁵ In Singapore, tightened expatriate employment rules have made it harder for firms with largely non-local staff to secure long-term residency.⁶ The UAE offers zero personal income and capital gains tax, and a 10-year Golden Visa providing residency certainty without employer sponsorship.⁷ Proximity to roughly USD 3 Tn in sovereign wealth capital (ADIA, Mubadala, ADQ) means funds can build direct relationships with some of the world's largest investors making it easier to raise capital and partner on deals.⁸



The core economic effect runs through two channels: the skilled professionals who arrive and the capital they bring into local markets... When a fund relocates senior staff, it typically also requires legal counsel, compliance officers, auditors, consultants, and technology vendors, among potential others. DIFC's total workforce reached 50,200 in 2025, adding 4,122 new positions.^{9,13} The resulting pressure on commercial real estate is clear: DIFC operates at 99.8% occupancy and Abu Dhabi prime office vacancy stands at 0.1%.^{9,10} In H1 2025, real non-hydrocarbon growth reached 5.7%, primarily driven by financial and insurance services, which expanded 8.3% (contributing 1.1 pp to growth) and now account for 13.6% of non-hydrocarbon GDP.¹¹ On the capital side, Lunate, an Abu Dhabi-backed investment firm, committed USD 2 Bn to seed a new ADGM-domiciled fund platform with Brevan Howard, channeling institutional capital directly into UAE-based strategies.¹²



Over time, this concentration supports industries well beyond finance. The professional services supply chain that follows fund operations (legal, audit, consulting, technology) builds institutional capacity the broader UAE economy draws on... DIFC now houses 1,052 regulated financial firms, creating specialist expertise that serves sectors from real estate to trade finance across the wider MENA region.¹³ More institutional participants trading locally also improve liquidity on UAE exchanges, where net foreign inflows exceeded AED 19 Bn in 2024, supporting the pipeline for future equity and debt issuance.¹⁴

Sources: 1 Reuters – DIFC Registrations Rise 40%; 2 Bloomberg – DIFC Hedge Fund Boom; 3 Bloomberg/Gulf News – Brevan Howard Abu Dhabi; 4 UAE Gov – We the UAE 2031; 5 Bloomberg – UK Job Losses to UAE; 6 eFinancialCareers – Singapore Visa Tightening; 7 UAE Gov – Golden Visa; 8 Apex Group – UAE Hedge Fund Opportunity; 9 DIFC – 2025 Results; 10 JLL – Abu Dhabi Office Q3 2025; 11 Central Bank of the UAE December Quarterly Economic Review; 12 Bloomberg – Lunate/Brevan Platform; 13 DIFC – 2025 Results (Workforce); 14 Century Financial – UAE Market Inflows

Country profile | Qatar

QATAR



Saudi Arabia



United Arab Emirates



Qatar

Key highlights



01

The stock of inward FDI in Qatar increased by 7.0% in Q3 2025, relative to Q2 2025, to reach QAR 157 Bn. More than 90.0% of this inward FDI is concentrated in three sectors: mining and quarrying (44.0%), financial and insurance activities (32.0%) and manufacturing (15.0%).

02

A recent bond issue from the Qatari Central Bank worth QAR 2.5 Bn was oversubscribed 1.8 times, reflecting strong investor confidence in Qatar's creditworthiness. This issuance follows a period of heightened activity, with the Ministry of Finance budgeting for a surge in government tenders and auctions, reflecting a sustained infrastructure push. The Ministry of Finance also continues to project budget deficits continuing into 2026.

03

Qatar recently announced 10-year golden visa for experienced business executives and entrepreneurs. This new golden visa complements the golden visa introduced last year for real estate investors in the country by explicitly targeting a new demographic, and marks a new strategic play by Qatar in the global race for talent and investors.

Latest data releases



↓ **QAR 77.1 Bn (-9.9%)**
YoY Q4 2025

Foreign merchandise trade¹

Qatar's total quarterly exports were QAR 77.1 Bn in Q4 2025, a 9.9% YoY decline from QAR 85.6 Bn in Q4 2024 driven mainly by lower exports of mineral fuels. Mineral fuels remained the dominant component of Qatar's export portfolio, accounting for ~ 78.6% of total exports. Exports of mineral fuels, lubricants, and related materials totaled QAR 60.6 Bn in Q4 2025, a 14.3% YoY decline from QAR 70.7 Bn in Q4 2024, and fell 5.2% QoQ from QAR 64.0 Bn in Q3 2025, reflecting weaker global energy demand.



↑ **50.4 (0.4 pts)**
MoM January 2026

Non-energy PMI²

The non-energy PMI rose slightly by 0.4 pts in January 2026 to 50.4 from December's reading of 50.0, indicating a slight improvement in non-energy business activity. However, business conditions remained constrained by a fall in new orders, the seventh decrease in eight months leading to a drop in overall output. This drop in output was the first back-to-back contraction since the first quarter of 2025. Although output and new orders both fell in January, the rate of job creation remained strong, driving the overall growth of the index.



↑ **2.3% (+3.5 pp)**
YoY January 2026

Headline inflation³

Headline inflation stood at 2.3% in January 2026 compared to -1.2% in January 2025. This marked the highest inflation rate since February 2024. This increase was driven by price rises across eight categories led by recreation and culture (4.9% YoY), clothing and footwear (3.3% YoY), food and beverages (2.9% YoY), and utilities (1.2% YoY). Meanwhile, prices fell in the subindices for transportation (0.5% YoY) and restaurants and hotels (2.0% YoY).

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

Note: pp refers to percentage point

Latest news (1/2)

Qatar and United States review bilateral economic and trade relations

Qatar and the United States reaffirmed their commitment to strengthening bilateral trade and investment during high-level talks in Washington in early February. Discussions focused on expanding cooperation in energy, advanced technology, infrastructure, and private-sector partnerships. Officials highlighted the importance of deepening economic ties to boost mutual growth and reinforce strategic relations, aligning with Qatar's strategy to diversify trade partnerships and attract foreign investment for sustainable development. [The Peninsula - Read more.](#)

Qatar and Pakistan agree to boost strategic economic cooperation

Pakistan and Qatar have agreed to deepen strategic and economic cooperation in trade, investment, energy, defense, labor, and culture, reaffirming strong bilateral ties and commitment to regional stability. During Prime Minister Shehbaz Sharif's visit to Doha, discussions included Qatar Investment Authority's USD 3 Bn investment plan in Pakistan and the role of nearly 300,000 Pakistani workers in Qatar. Both countries aim to accelerate collaboration through a joint task force to support Pakistan's economic growth and strengthen relations. [Arab News- Read more.](#)

Qatar's knowledge economy strategy enhances global competitiveness

Qatar is accelerating its shift to a knowledge-based economy through innovation, digital transformation, and human capital development. Government efforts focus on strengthening research, supporting high-tech industries, and improving regulations to attract investors. This aligns with Qatar National Vision 2030's aim to reduce hydrocarbon dependence and foster sustainable private-sector growth. Investments in education, AI, fintech, and advanced industries are positioning Qatar as a regional innovation hub. [The Peninsula - Read more.](#)

Digital becomes the default as Qatar accelerates shift away from cash

Qatar is rapidly shifting to digital payments, with nearly two-thirds of consumers using cards, contactless, and mobile wallets. Supported by strong infrastructure and fintech investments, digital transactions are now common in retail, transport, and government services. While cash remains for small transactions, its use is declining. This shift enhances financial transparency and efficiency, advancing Qatar's goal to become a regional fintech hub under Qatar National Vision 2030. [The Peninsula - Read more.](#)

Qatar real estate transactions reach QAR 1.7 Bn at start of 2026

Qatar's real estate sector started 2026 on a strong note, with transaction values reaching QR1.7 Bn by early February. The rise in property deals reflects investor confidence, driven by infrastructure development, population growth, and business expansion. Analysts highlight that long-term residency reforms and major urban projects in Lusail and West Bay are boosting demand. This positive trend indicates economic stability and continued capital inflows into Qatar's non-hydrocarbon sectors. [The Peninsula - Read more.](#)

QIA and Franklin Templeton launch USD 200 Mn fund to boost Qatar stock market

The Qatar Investment Authority (QIA) and Franklin Templeton have launched a USD 200 Mn equity fund focused on the Qatar Stock Exchange (QSE) to enhance liquidity and attract institutional investors. The fund offers local and international investors access to QSE-listed companies, supporting Qatar's economic diversification and financial sector growth. Officials highlighted Qatar's fiscal stability and sector expansion as key drivers of investor confidence. [Arab News- Read more.](#)

Latest news (2/2)

Foreign Direct Investment in Qatar rises 7% to QAR 157 Bn by Q3 2025

By the end of the third quarter of 2025, Qatar's FDI stock rose 7.0% QoQ to QAR 157 Bn, driven by strong investor confidence and aligned with Qatar National Vision 2030. Inward investments focused on sectors like mining, finance, and manufacturing, while outward FDI grew 3.0% to QAR 203 Bn, reflecting Qatar's expanding global presence and diversified investment portfolio across finance, mining, communication, transport, and arts. [Arabian Business - Read more.](#)

Qatar's government bond issuance attracts USD 1.2 Bn in investor bids

Qatar Central Bank issued QAR 2.5 Bn in government bonds split into two tranches maturing in 2028 and 2030, both with a 4.1% yield. The auction was oversubscribed 1.76 times with QAR4.4 Bn in bids, reflecting strong investor confidence supported by LNG projects. The issuance supports market liquidity and strengthens the sovereign yield curve as a benchmark for corporate borrowing. [Middle East Economy- Read more.](#)

QatarEnergy signs long-term LNG deals with Japan and Malaysia

QatarEnergy has signed long-term LNG supply deals with Japan's Jera Co and Malaysia's Petronas LNG. Starting in 2028, QatarEnergy will supply Jera with up to 3 Mn tones per annum under a 27-year contract, while a 20-year agreement with Petronas LNG covers up to 2 Mn tones per annum. These deals strengthen QatarEnergy's presence in Asia and support energy security in both countries. [AGBI - Read more.](#)

Spotlight

Qatar's new Golden Visa initiative



Qatar has recently introduced a 10-year Golden Visa for entrepreneurs and business executives, joining the race for global talent... This initiative is a significant step in Qatar's long-term strategy to attract and retain high-caliber individuals who can contribute to the non-hydrocarbon economy.¹ Qatar's visa focuses on expertise and leadership rather than mandating large capital investments, making it an accessible pathway for seasoned professionals and innovators. By aiming to attract skilled entrepreneurs and senior executives, Qatar aims to stimulate innovation, foster a vibrant start-up ecosystem, and accelerate its transition towards a sustainable, knowledge-based economy. If successful, this new golden visa can lead to an influx of talent that can catalyze a virtuous cycle of innovation, growth and employment.²



The new Golden Visa complements Qatar's existing residency-by-real-estate program, creating a multi-faceted approach to attracting both human and financial capital... In 2025, Qatar also launched a real-estate linked residency program for global investors, which offers residency with a minimum property investment of approximately USD 200,000, targeted at individuals seeking a stable foothold or alternative housing in the region.³ The talent-focused Golden Visa, in contrast, targets an entirely different demographic. Together, these programs create a comprehensive framework aimed at attracting both human and financial capital, key factors that underpin a nation's economic growth. In launching these visa, Qatar is aiming to compete with the likes of regional peers such as the UAE, Saudi Arabia, Bahrain and Oman, which have their own successful long-term residency programs.



Golden visa programs that offer applicants flexibility and stability can help a country attract a diverse, long-term population base that can bolster an economy's long-term prospects... The new Golden Visa introduced by Qatar is valid for 10 years and not linked to a specific sponsor or investment. This stability can encourage new residents to invest more deeply in a host country, fostering economic growth beyond initial investments. An influx of global talent and capital also reinforces key sectors like real estate, technology, and finance, while also aiding in new business formation and job creation.⁴ The UAE, in particular, has had considerable success with its Golden Visa program. Launched in 2019, it has been pivotal in attracting and retaining global talent and investors, significantly boosting its real estate market and helping to diversify the economy away from oil, whilst also attracting specialists in fields like AI and finance, boosting its status as a global business hub.⁵ Hence, the new Qatari Golden Visa can be seen as a strategic lever to replicate this success whilst progressing towards building a diversified, knowledge-based economy.

Sources: 1 [Gulf News](#) ; 2 [Gulf Business](#) ; 3 [Aqarat](#) ; 4 [Gulf Visa](#) ; 5 [The Leaders Globe](#)

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

Mubadala - Mubadala Investment Company⁴

A sovereign investor managing a diverse portfolio in the UAE and internationally to generate sustainable financial returns for its shareholder, the Government of Abu Dhabi.

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

OECD - Organization for Economic Co-operation and Development¹⁰

An international organization with 60+ years' experience shaping policies that promote prosperity, equality, and wellbeing.

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

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

FTA – Free Trade Agreement²

A treaty between two or more countries that aims to reduce or eliminate trade barriers, facilitating easier exchange of goods and services

23

LNG– Liquefied 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

PPP – Public-Private Partnership⁵

A long-term contract between a private party and government for delivering a public asset or service, where the private party assumes significant risk and management, with payment linked to performance.

26

Government Bond⁶

A government bond is a debt instrument issued by federal, state, and local governments to raise capital to support public spending.

27

DIFC – Dubai International Financial Center⁷

Leading financial hub, hosting a diverse range of companies, including wealth and asset management firms, and offers a tax-free status and robust regulatory framework, attracting global investors.

28

RTA – Dubai’s Roads and Transport Authority⁸

A government agency responsible for planning, developing, and managing Dubai’s transport and traffic infrastructure. It oversees road networks, public transit, and mobility services to enhance connectivity and safety

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 FTA ; 3 LNG ; 4 AI ; 5 PPP ; 6 Bond ; 7 DIFC; 8 RTA; 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.

37

MICE – Meetings, Incentives, Conferences, and Exhibitions

A component of the tourism industry focusing on organized events for professional, commercial, or networking purposes.

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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