

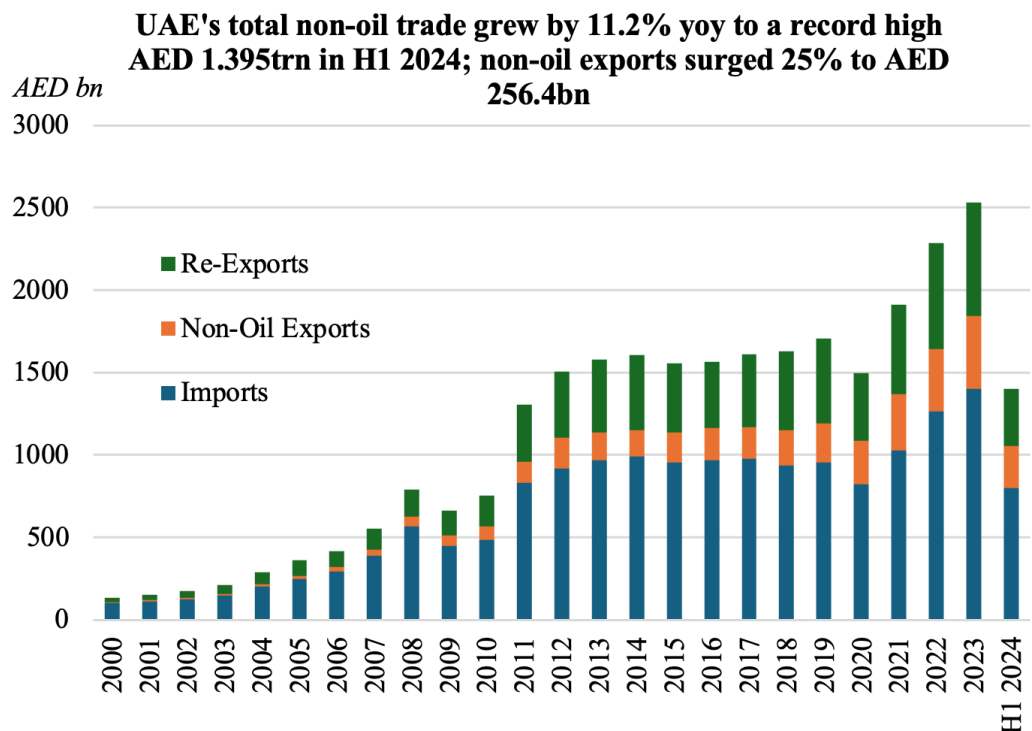
# Weekly Insights 30 Aug 2024: Deals enable trade expansions across the GCC; also benefits the air cargo industry

UAE & Qatar foreign trade expands. Monetary stats in Saudi Arabia. Easing GCC inflation. Summer demand & strong growth in air passenger & cargo volumes.

Download a PDF copy of this week's insight piece [here](#).

**Weekly Insights 30 Aug 2024: Deals enable trade expansions across the GCC; also benefits the air cargo industry**

## 1. UAE non-oil foreign trade hit a record-high AED 1.395trn in H1



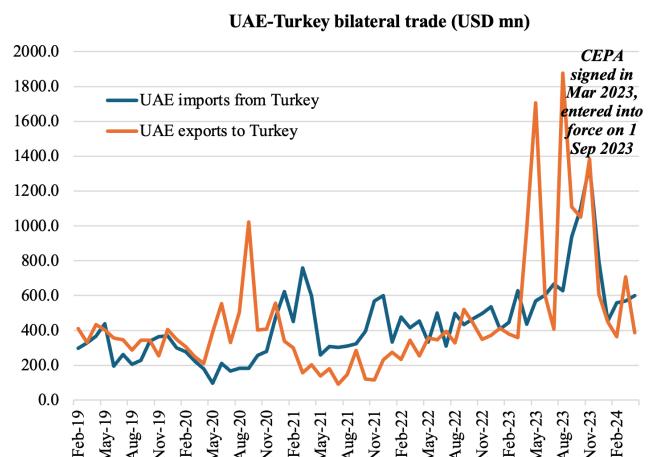
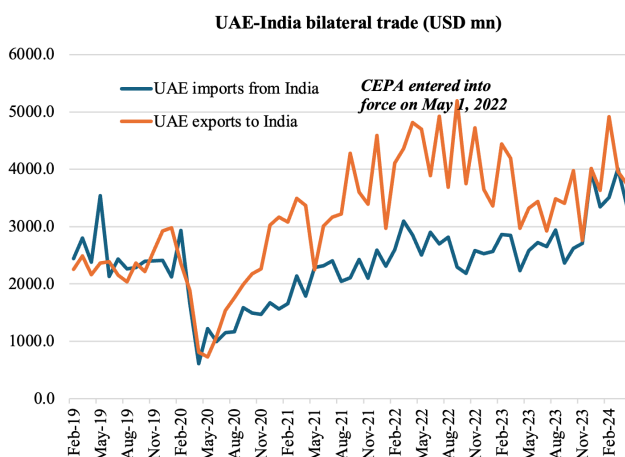
*Source: Ministry of Economy, FCSA, Federal Customs Authority*

*Note: free zone data is included only from 2011*

- UAE's non-oil goods trade increased to a record-high AED

**1.395trn in H1 2024, up 11.2% yoy.**

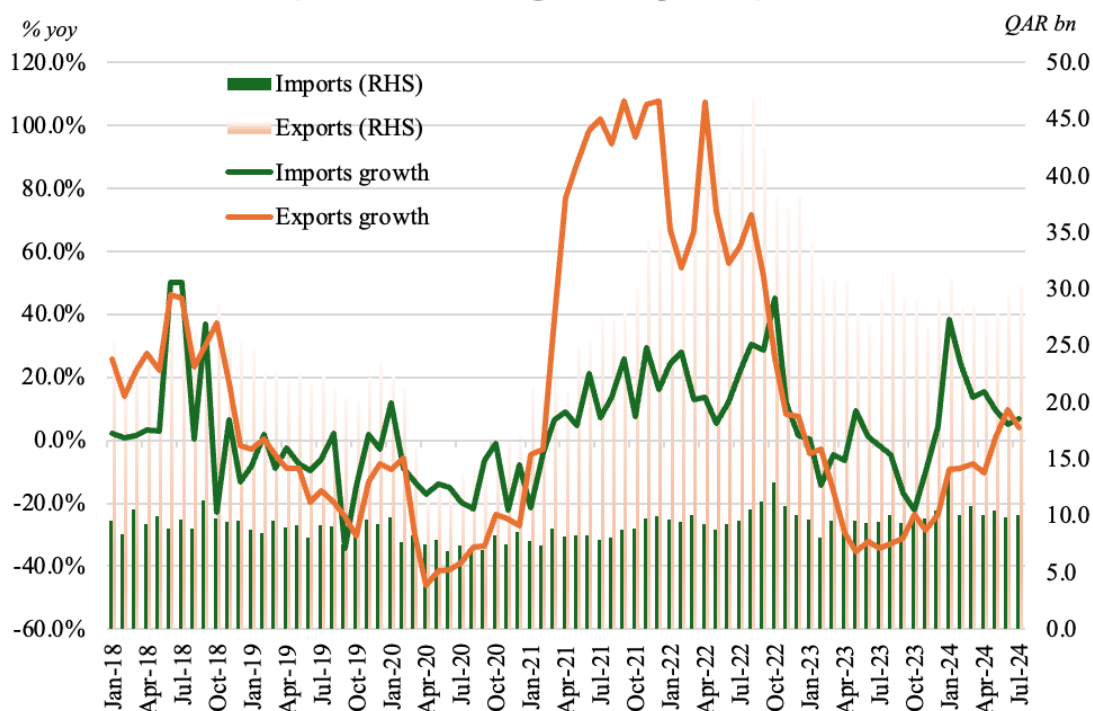
- This surge was supported by the **25% increase in non-oil goods exports**: at AED 256.4bn, non-oil exports in H1 2024 were higher than what was recorded in the full year 2019! Meanwhile, **re-exports and imports grew** by 2.7% and 11.3% respectively (to AED 345.1bn and AED 800bn). Major re-export partners were Saudi, Iraq and India while leading re-exported goods were telephones and diamonds.
- Non-oil exports to the UAE's top 10 trade partners surged by 28.7%: **Iraq was the top destination for UAE exports, followed by India & Turkey**. Non-oil exports to Iraq surged by 41% while that to Turkey and India grew by 15% and 10% respectively: **partly the impact of CEPAs**.
- **Multiple CEPA discussions are in progress** (e.g. with Philippines, New Zealand) & UAE expects non-oil trade to cross AED 3trn by end-2024.



Source: IMF Direction of Trade Statistics. Charts by Nasser Saidi & Associates.

## 2. Qatar t

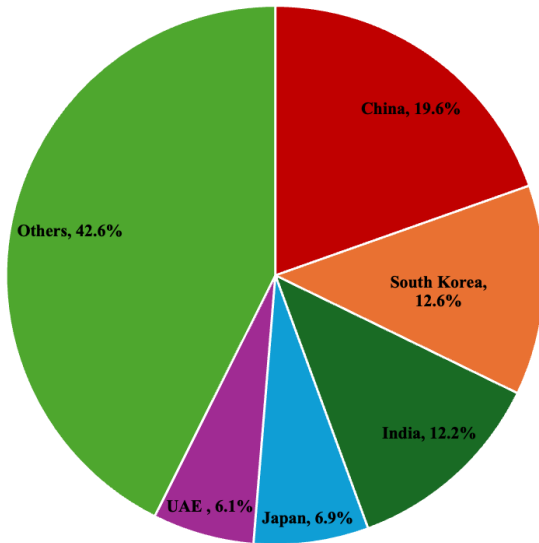
Exports from Qatar grew by 4% yoy to QAR 30.2bn in Jul; imports rise 6.8% to QAR 10.1bn, widening trade surplus to QAR 20.1bn



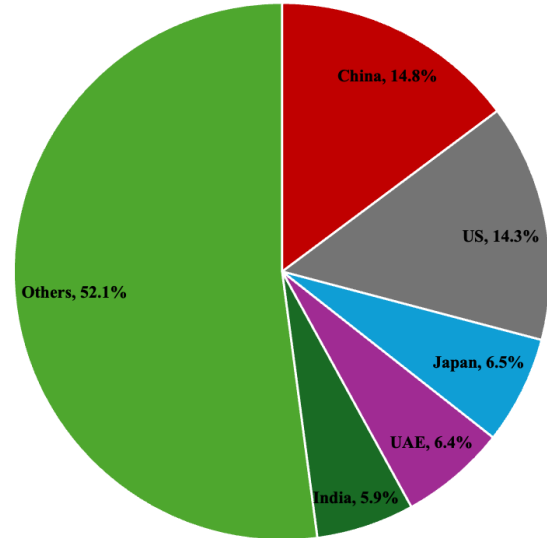
- **Qatar's July foreign trade was driven by upticks in both exports & imports**, resulting in a wider trade surplus of QAR 20.1bn in Jul
- Exports grew by 3.9% yoy to QAR 30.2bn, thanks to the **increase in exports of petroleum gases & other gaseous hydrocarbons exports** (3.7% to QAR 17.6bn; or 61.3% of domestic exports). Re-exports grew by 31% to QAR 1.5bn in Jul.
- **China was the largest export destinations in Jul**, followed by South Korea and India; the top 5 destinations accounted for 57.4% of total exports.
- **Imports increased by 6.8% yoy to QAR 10.077bn in Jul**: China was the main import partner, and together the top 5 importing nations took a share of 47.9% of total imports.
- **Qatar's position as a leading LNG exporter** is further cemented by its multi-year deals with many nations – the **latest was a 15-year deal to supply Kuwait with 3mn tons per annum**, with deliveries starting Jan 2025. Deals were previously signed with China, France, Germany & India

among others.

Qatar's top 5 exports destinations account for 57.4% of total exports in Jul  
China is top export partner

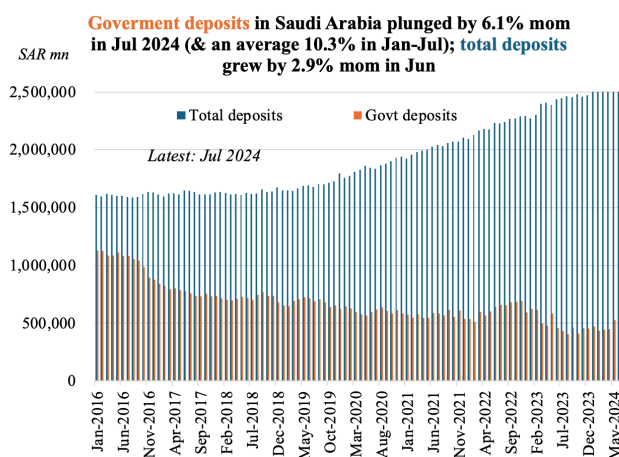
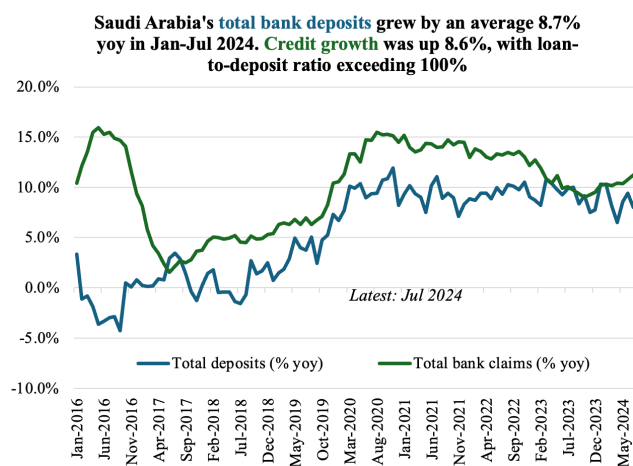


The share of Qatar's top 5 import origin nations stood at 47.9% of total imports in Jul; China is top import partner as well

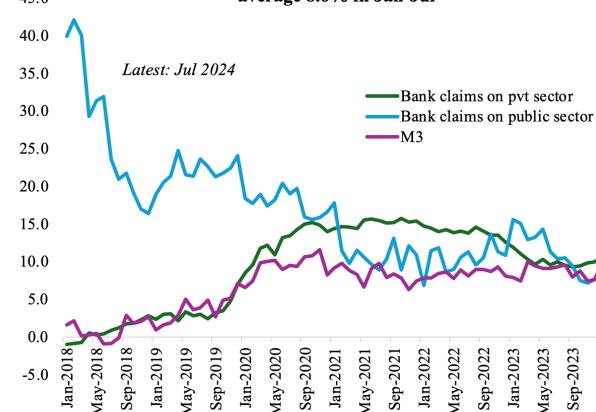


Source: Qatar's National Planning Council, LSEG Workspace. Charts by Nasser Saidi & Associates.

**3. Total deposits in Saudi Arabia declined month-on-month in Jul, with a larger drop in government deposits; credit growth was up 8.6% in Jan-Jul; SAMA net foreign assets grew in yoy terms for the 5th month in a row**

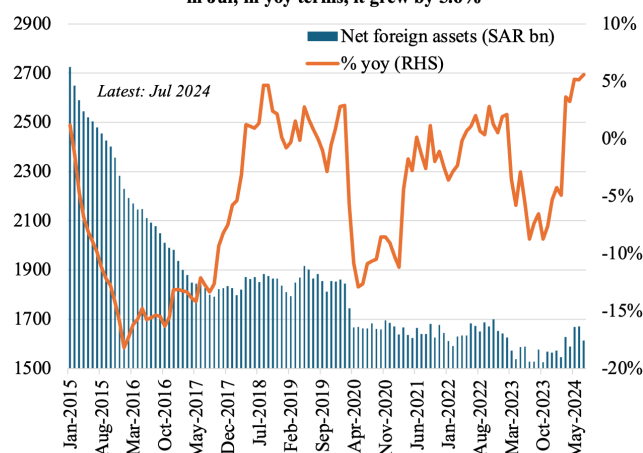


**Claims on private sector in Saudi grew by 11% yoy in Jan-Jul 2024, faster than 8.7% in the public sector; M3 grew by an average 8.6% in Jan-Jul**

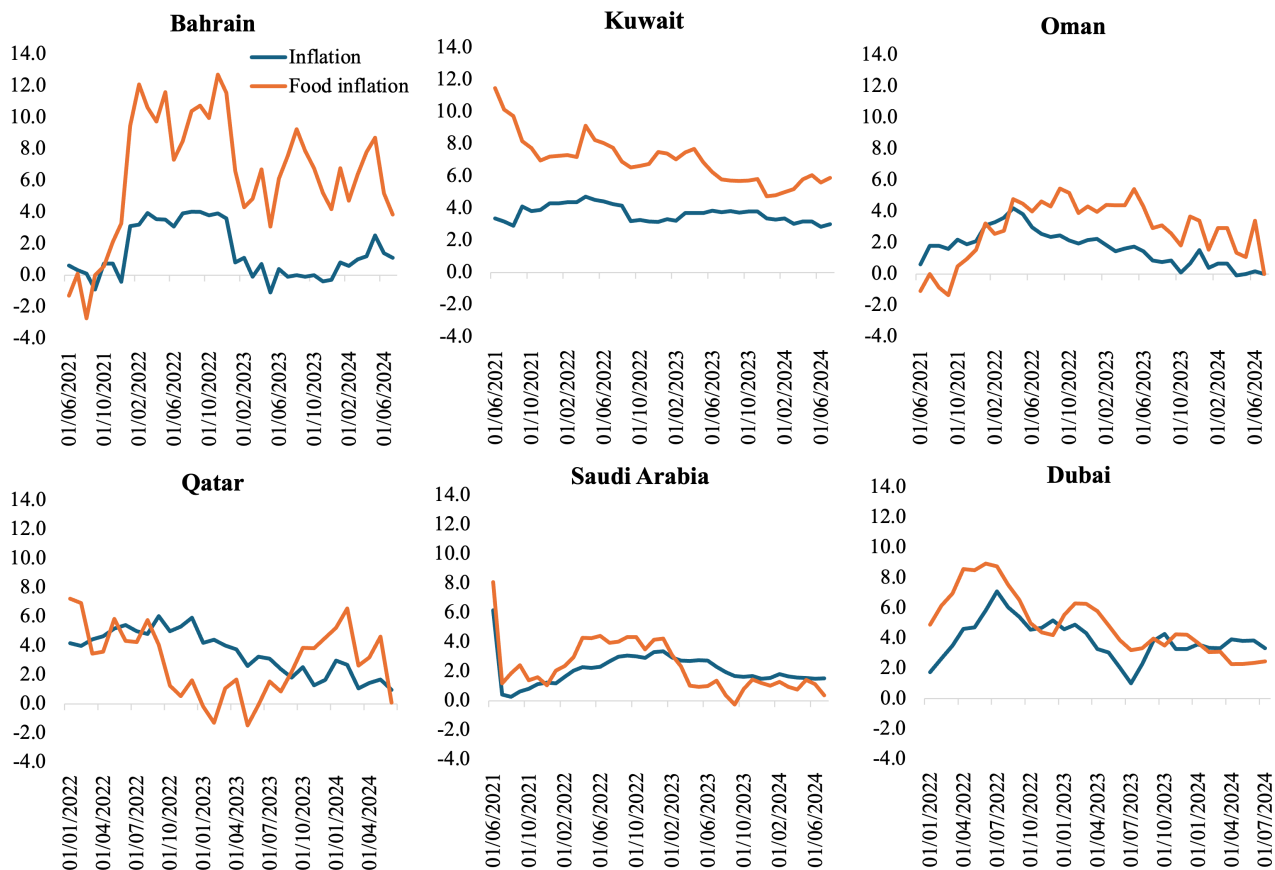


Source: Saudi Central Bank. Charts created by Nasser Saidi & Associates

**SAMA's net foreign assets fell by 3.4% mom to SAR 1.613trn in Jul; in yoy terms, it grew by 5.6%**



**4. GCC inflation has been easing in 2024. Food inflation has been higher than headline in most of the region; Services inflation has also been relatively high (e.g. education, finance); In Dubai & Saudi Arabia, housing costs have been a main driver of inflation**

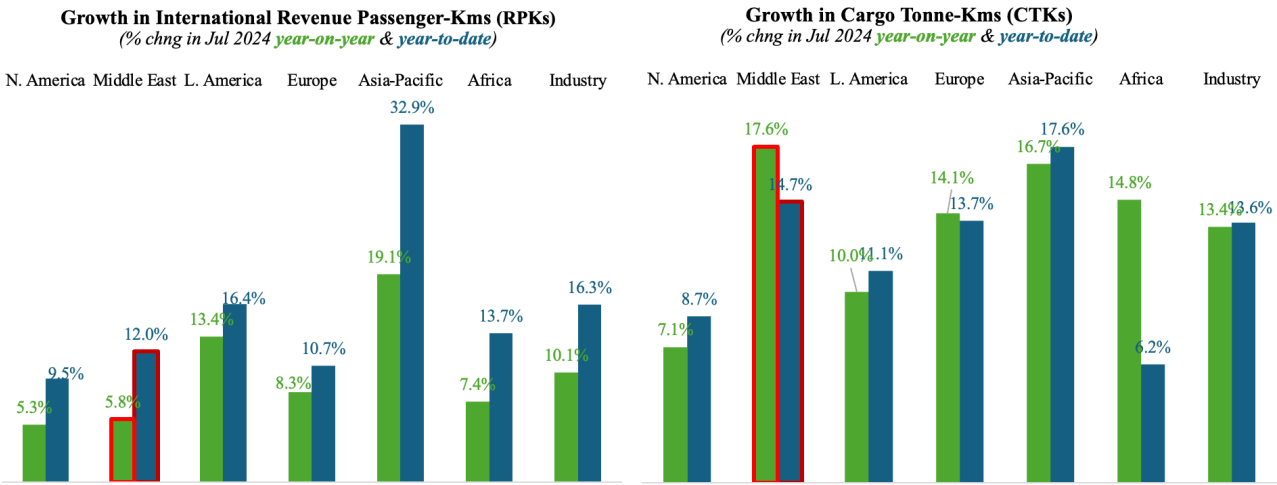


Source: LSEG Workspace; Charts by Nasser Saidi & Associates.

## 5. Strong demand during the summer sees growth in air passenger and cargo in Jul

- **International passenger traffic growth remained robust** (10.1% yoy in Jul). Two regions posted double-digit gains while **Middle Eastern airlines** grew their **international** revenue passenger-kilometers (RPKs) by 5.8% yoy.
- Traffic in the **Middle East-Asia route** continued to rise: in Jul the RPK was almost the same as in Jul 2019; this upward trend is likely to continue.
- **Record cargo capacity posted in Jul.** Cargo tonne-kms (CTKs) grew by 13.6% year-to-date as of Jul. It also grew by 13.4% yoy, with expansions across all regions; Middle East carriers were the only ones with monthly gains.
- **International air cargo demand on the Middle East-Europe lane surged by 32.3%** – the most across all other major trade lanes – and continuing the double-digit growth

(which began in Sep 2023). Middle East-Asia route was also among the fastest growing (+15.9%).



Source: IATA, Air Passenger & Cargo Market Analysis (issued Aug 2024)

Powered by:

