

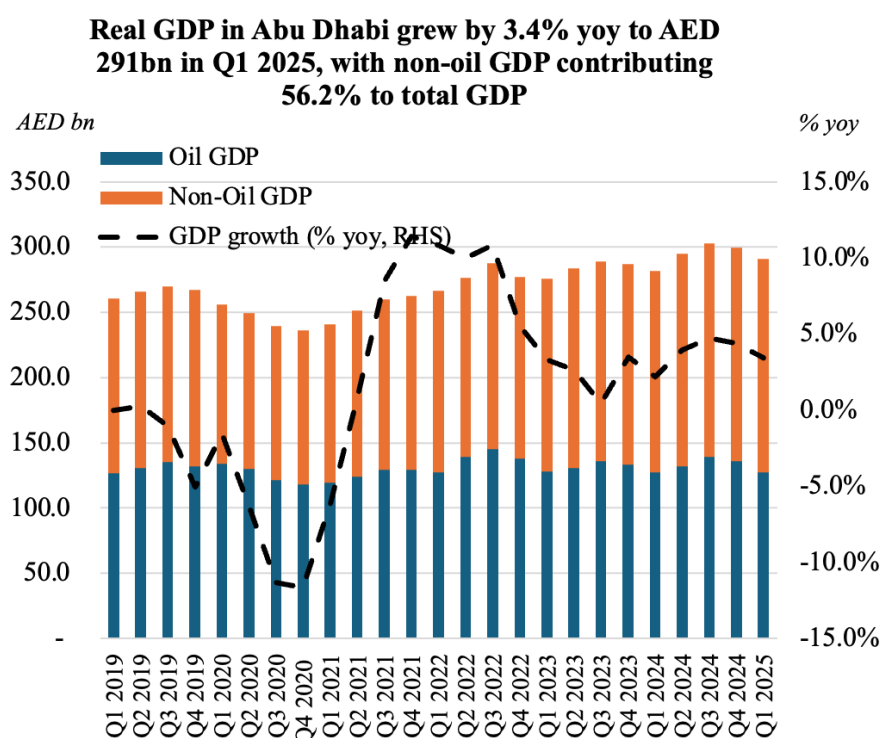
Desert Diversification: GCC Economies Non-Oil Sector Powers Ahead Weekly Insights 4 Jul 2025

GDP Abu Dhabi, Oman, Qatar. Monetary stats of Saudi & UAE. KSA foreign trade, unemployment.

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1. Abu Dhabi's real GDP grew by 3.4% yoy in Q1 2025; non-oil GDP clocks in new record contribution of 56.2%

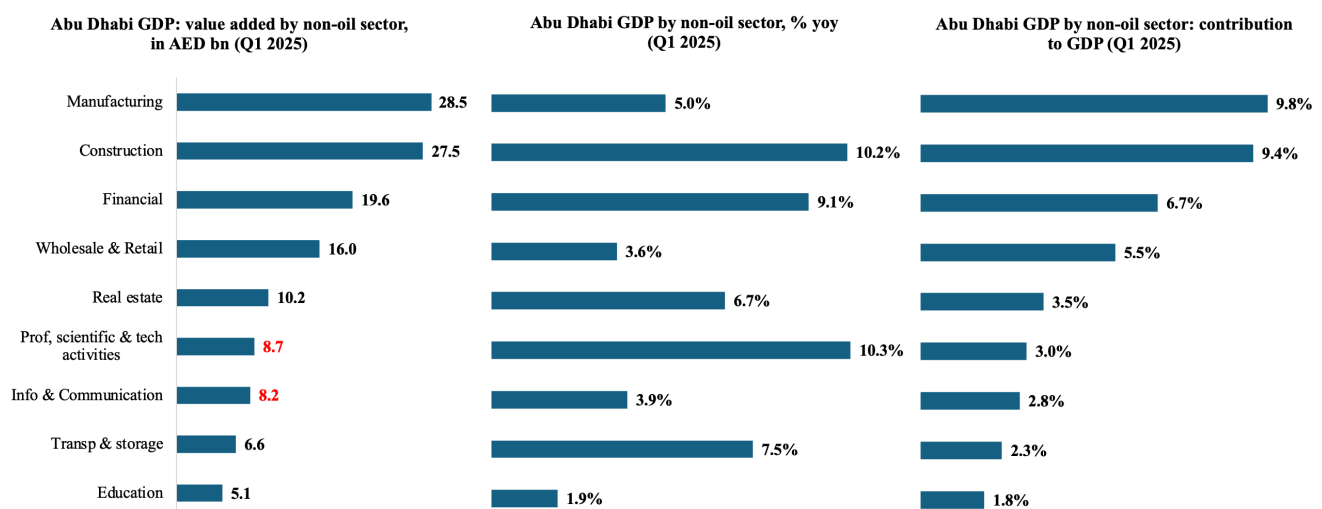


Source: Statistics Centre - Abu Dhabi. Chart by Nasser Saidi & Associates

- Real GDP in Abu Dhabi grew by 3.4% yoy to AED 291bn in Q1 2025, supported by robust non-oil sector activity (6.12% yoy). Contribution of the non-oil sector stood at

a record high 56.2% of the total, underscoring the emirate's diversification efforts.

- However, **compared to Q4 2024, GDP declined by 2.8%**, with a significant drop in oil GDP (-6.2% qoq to AED 127.5bn). Manufacturing sector posted significant gains (+11.5% qoq and 5% yoy), supported by growth in new industrial licenses (4.7% yoy to 89 in Q1) and industrial licences moving from under-construction to production (65% to 33).
- **Manufacturing sector also had the largest contribution to GDP in Q1 2025 (9.8%)**, followed closely by construction (9.1% share) and financial (6.7% share) sectors. This is in line with ongoing government initiatives such as the Abu Dhabi Industrial Strategy, infrastructure projects (Adpic has 619 projects in development + aims to sign AED 47bn worth PPPs in H2 2025), robust financial sector performance (ADGM reported a 33% yoy surge in assets under management in Q1 and financial services entities up 26% yoy to 367).
- **The fastest growing sectors were professional, scientific and technical activities (10.3% yoy), construction (10.2%) and financial & insurance (9.1%).**



Source: Statistics Centre - Abu Dhabi. Charts by Nasser Saidi & Associates.

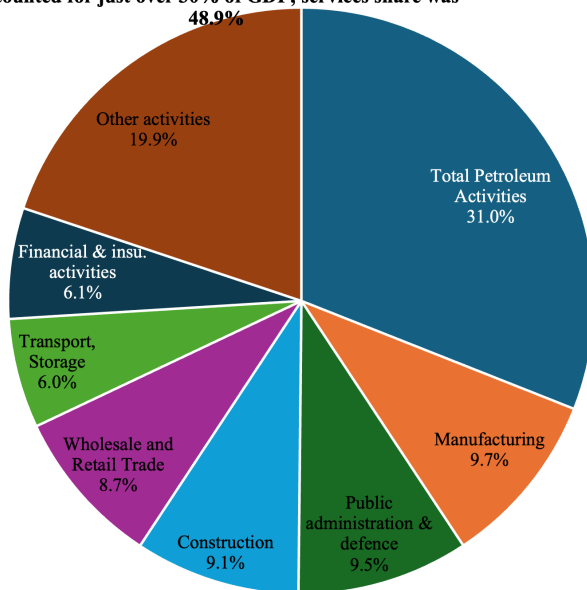
Note: GDP values in red indicate record-high values

2. Oman's real GDP grew by 2.5% yoy in Q1 2025, supported by

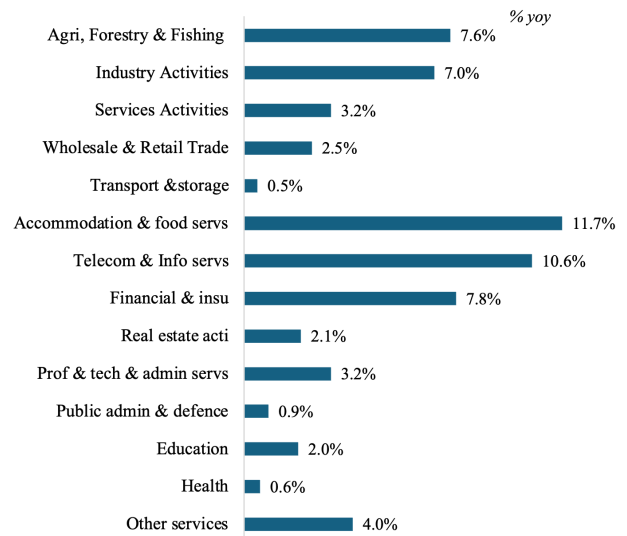
the non-oil sector expansion

- **Real GDP in Oman grew by 2.5% yoy to OMR 9.43bn in Q1 2025**, thanks to the non-oil sector growing at 4.4%. Among non-oil sector, industry activities supported the uptick (7% yoy) alongside a 3.2% growth in services activities. **Petroleum sector activity declined by 0.4% in Q1**, given drop in crude petroleum sector (-2.2% to OMR 2.5bn), but natural gas sector gained significantly (9.5% yoy to OMR 475.3mn).
- **The share of oil and gas sector in Oman's real GDP stood at 31% in Q1** while the contribution of manufacturing, government and construction sectors stood at 9.7%, 9.5% and 9.1% respectively followed by wholesale & retail trade (8.7%).
- **Services sector grew by 3.2% in Q1**, given high growth rates across hospitality (11.7%), information & communication (10.6%) and financial sector (7.8%). Oman's **tourism sector** had a strong Q1 (5% yoy rise in tourists & 3% vs pre-pandemic 2019) and hotels reported a 10.6% jump in revenues. Ongoing investments into the sector & the forthcoming unified GCC visa will bring further gains this year. The **financial sector**, along with oil & gas exploration, continue to draw higher levels of FDI. **Wholesale & retail trade** and transportation & storage slowed from previous quarters gains but were up 2.5% & 0.5%. Goods trade had a relatively weak Q1, especially given a 10.4% drop in exports (dragged down by oil and re-exports).

Oman's real GDP grew by 2.5% yoy in Q1 2025; oil sector accounted for just over 30% of GDP; services share was



Oman's Q1 2025 GDP: services sector grew by 3.2%; hospitality sector grew by a robust 11.7% and financial sector activity is up by a strong 7.8%

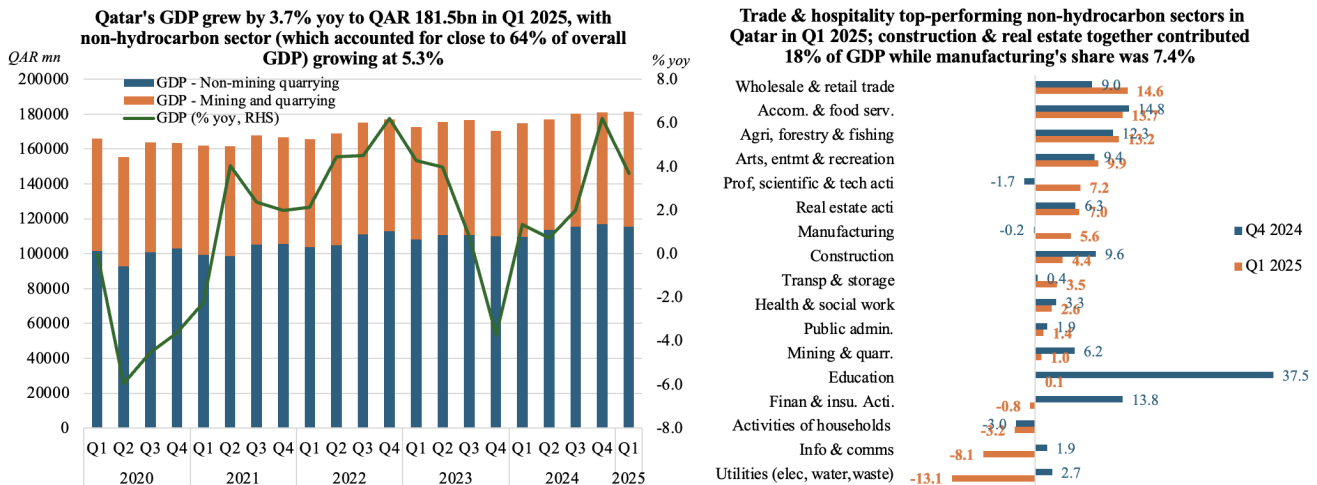


Source: Oman National Centre for Statistics and Information. Charts by Nasser Saidi & Associates.

3. Qatar's real GDP accelerated by 3.7% yoy in Q1 2025, with the hydrocarbon and non-hydrocarbon sectors growing by 1.0% and 5.3% respectively

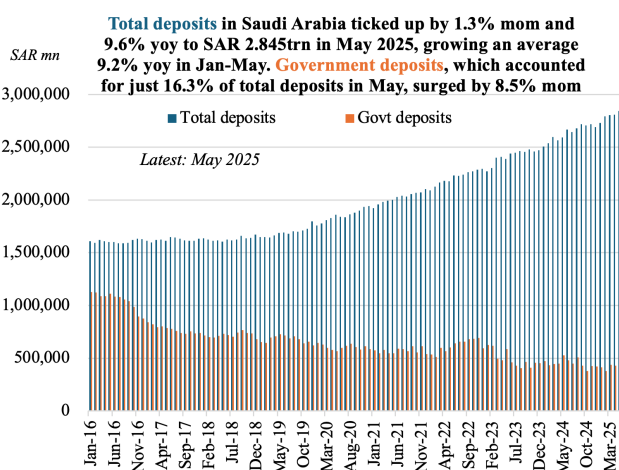
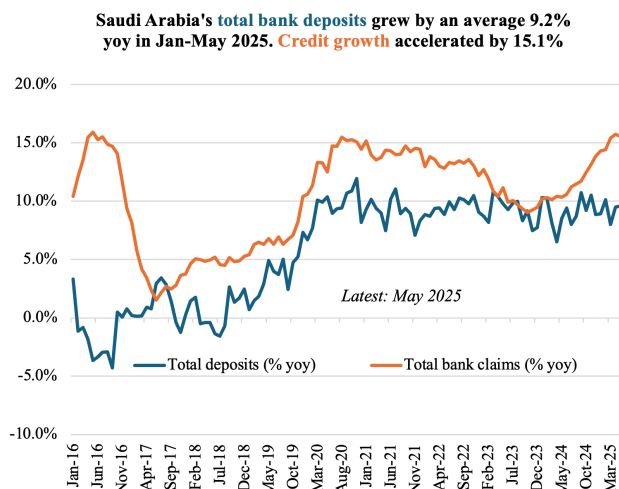
- Qatar's real GDP grew by 0.3% qoq and 3.7% yoy in Q1 2025, thanks to gains in the non-mining and quarrying sector (+5.3% yoy) also accounting for 63.6% of overall GDP. Growth was supported by both hydrocarbon and non-hydrocarbon sectors, rising by 1.0% yoy and 5.3% respectively. Compared to Q4 2024, mining & quarrying gained 2.9% while non-mining & quarrying posted a 1.2% drop.
- A breakdown by sector showed the fastest upticks in wholesale & retail trade (14.6% yoy in Q1) as well as accommodation & food services activities (13.7%). Contribution by five non-mining & quarrying sectors (construction, wholesale & retail trade, manufacturing, real estate and financial & insurance) accounted for 40.7% of overall GDP and close to two-thirds of non-mining and quarrying GDP in Q1.
- Despite lower crude output (at around 600k barrels per day vs peak of 780k bpd a decade ago), Qatar is still heavily reliant on its hydrocarbons sector (36.4% of

overall GDP in Q1), with **oil & gas revenue accounting for 86.7% of overall fiscal revenues in Q1**. Near-term GDP growth will be supported by an expansion of Qatar's **LNG capacity** (and recently signed long-term alliances) along with **increased public investment** and inbound **tourism**.

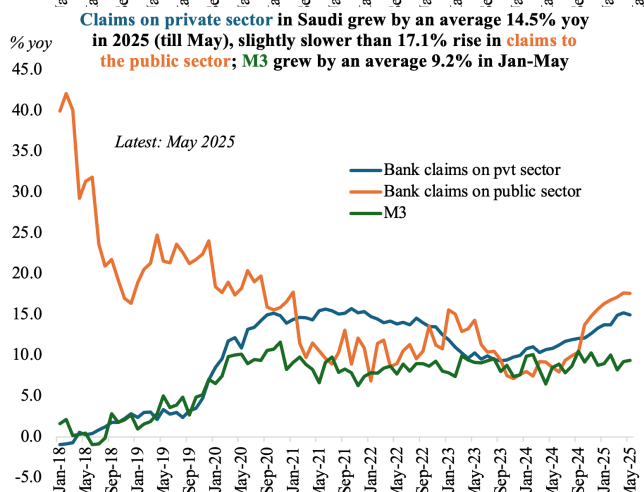
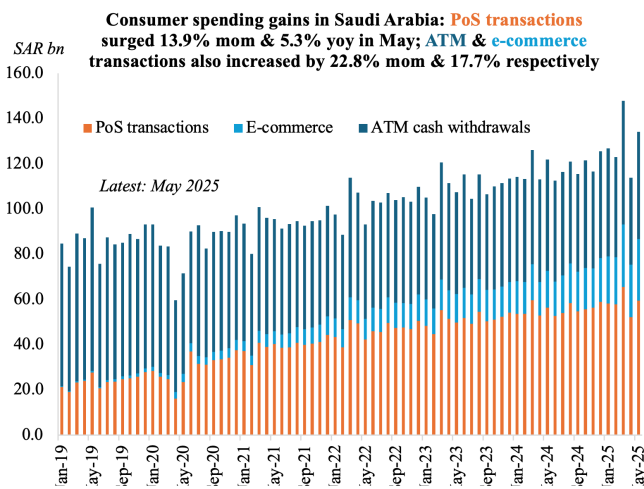


Source: National Planning Council, Qatar. Charts by Nasser Saidi & Associates.

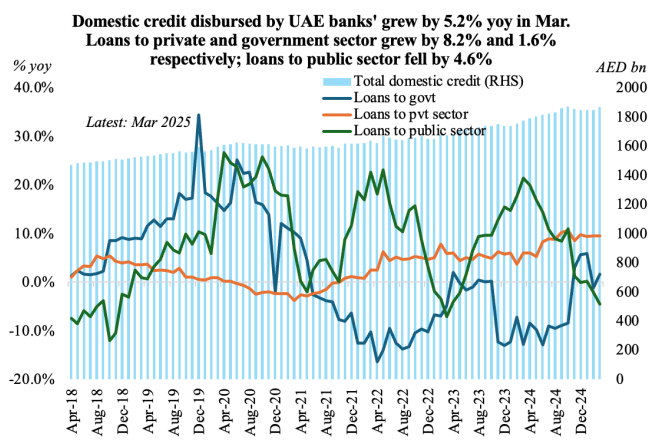
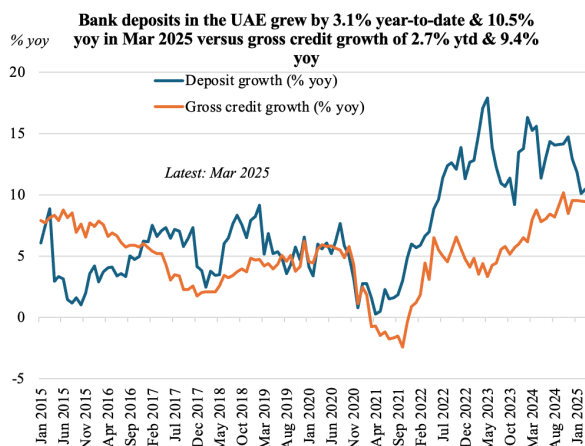
4. Credit growth in Saudi Arabia outpaced deposit growth for the 16th straight month in May and consumer spending accelerated. Overall deposits grew an average 9.2% in Jan-May 2025; despite posting negative yoy readings for the past ten months, govt deposits surged by 8.5% mom in May. Claims on the public sector grew faster than that on the private sector in all months this year (latter accounts for more than $\frac{3}{4}$ -ths total claims)



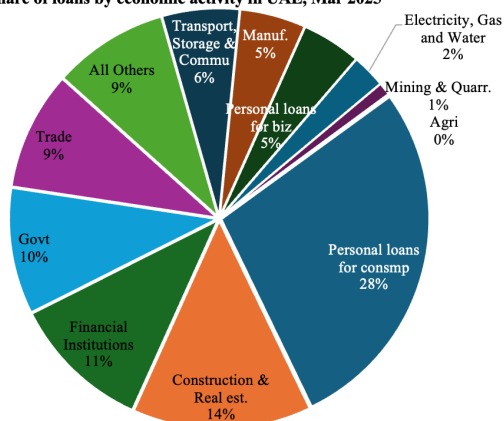
Source: Saudi Central Bank. Charts created by Nasser Saidi & Associates



5. Despite strong acceleration in UAE's deposit growth (avg of 10.8% in Q1 2025), gross credit growth lagged (9.5%). Share of loans to the private sector was almost 3/4th of domestic credit in Mar; and loans to business and industrial sector accounted for almost 2/3-rds of credit to the private sector. Lending to the SMEs rose to the highest since Q2 2023. Personal loans for consumption accounted for more than 1/4th of disbursed loans in Dec, followed by construction & real estate (14%), financial institutions (11%).



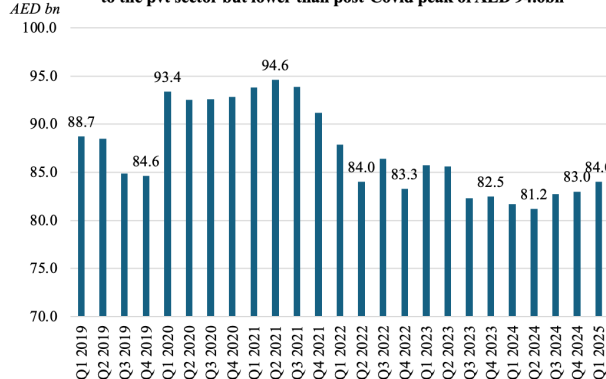
Share of loans by economic activity in UAE, Mar 2025



Source: UAE Central Bank. Charts by Nasser Saidi & Associates

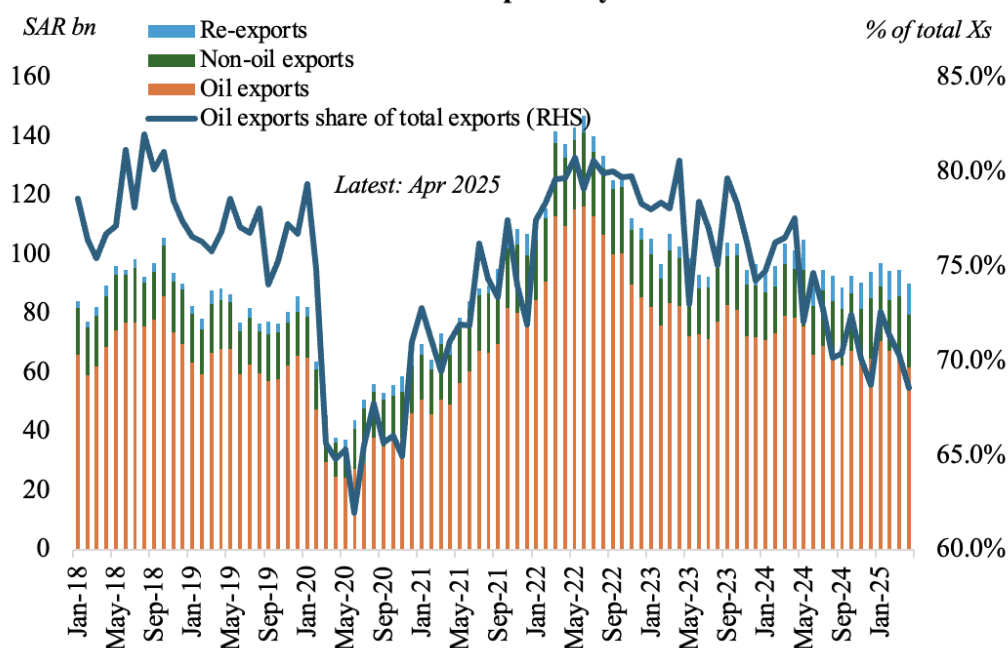
Note: All others in economic activity include Credit to the Service Sector and Non-Profit Institutions

SME lending in the UAE inched up to AED 84.0bn as of end-Q1 2025, most since Q2 2023 and equivalent to 6.1% of domestic credit to the pvt sector but lower than post-Covid peak of AED 94.6bn



6. Oil exports dragged down Saudi exports in Apr; UAE largest non-oil exports partner

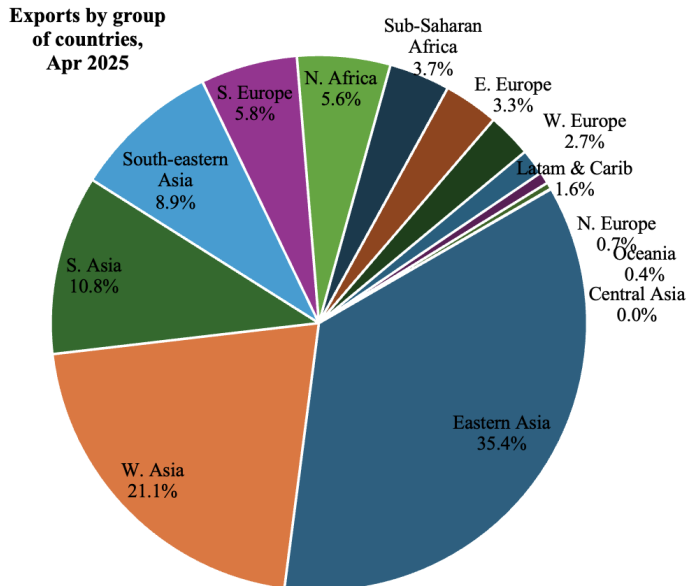
Saudi exports declined by 4.8% mom and 10.9% yoy to SAR 90.3bn in Apr 2025. Oil exports dipped to 68.6% of total exports. Non-oil exports and re-exports grew by 6.8% yoy and 72.0% respectively



- **Saudi Arabia's overall exports fell** by 4.8% mom and 10.9% yoy to SAR 90.3bn in Apr 2025, with oil exports down by 7.2% mom and 21.2% yoy. **Share of oil exports to overall exports dipped** to 68.6% (Mar: 70.3%).
- Non-oil exports rose 6.8% yoy to SAR 17.7bn (but fell by 8.3% mom) while re-exports surged 72.0% yoy and 20.7% mom to SAR 10.7bn.
- **Imports grew** by 18.3% yoy to SAR 76.20bn in Apr 2025 (but was 1.3% lower in monthly terms). This resulted in a **narrower trade surplus – SAR 14.2bn** vs Mar's SAR 17.7bn and less than half of Apr '24's SAR 37.0bn.
- **China, Japan and South Korea were the top destination for oil exports** and top 5 & 25 nations accounted for 55.1% and 94.5% of total oil exports.
- **Plastics, rubber and their articles was the largest segment of non-oil exports** (21.7%), followed closely by chemicals & its products (21.0%) while UAE the largest destination of overall non-oil exports (29.5%).
- **Eastern Asia was the largest destination region for exports from Saudi Arabia.**
- **China was the largest trade partner for KSA in Apr:** it received for 12.6% of Saudi exports and was source nation for one-fourth of KSA imports.
- **From West Asia region, UAE was the top trade partner:** received 9.8% of Saudi's total exports and was the source for 6.8% of Saudi imports.



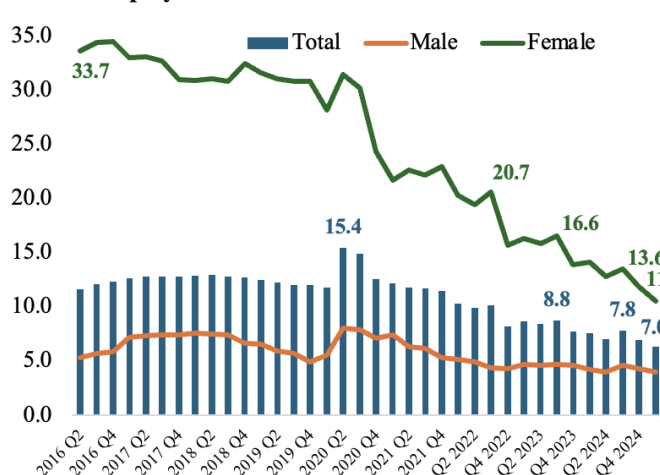
Source: GaStat. Charts by Nasser Saidi & Associates



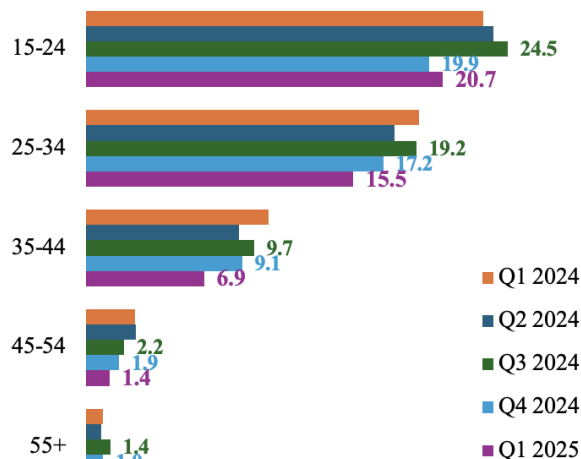
7. Unemployment rate of Saudi citizens fell sharply to a new-low of 6.3% in Q1 2025

- **Unemployment rate of Saudi citizens fell to a new record-low of 6.3% in Q1 2025 (Q4: 7.0%).** The revised Vision 2030 target now stands at 5% target by 2025.
- **Overall unemployment rate including expats also eased to 2.8% (Q4: 3.5%).**
- **Saudi female unemployment rate declined to a new low of 10.5% (Q4: 11.9%).** All except 15-24 age group posted a fall in unemployment rate (vs Q4).
- **Saudi female labour force participation inched up to 36.3% (Q4: 36.0%);** remaining slightly lower vs high of 36.5 in Q3 2022. **Employment to population ratio for Saudi women also rose to a record-high 32.5 in Q1 (Q4: 31.8);** this compares to 63.8 among Saudi men (Q4: 63.4).
- **Female citizens' wages averaged SAR 9,683 in Q1 (men: SAR 11,459);** wages of women aged 55+ was highest (SAR 12,895). **Male-female wage gap is high & gap is widest in 45-54 age group.**
- **Lower Saudi unemployment is associated with higher non-oil sector growth.**

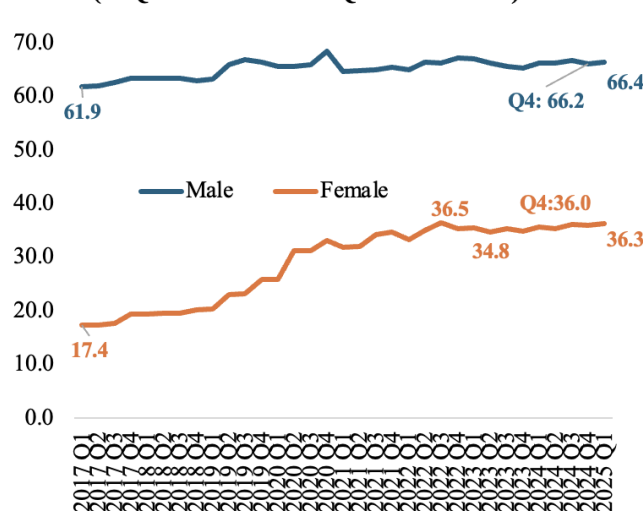
Unemployment rate of Saudi nationals eased to 6.3% in Q1 2025 (Q4 2024: 7.0%); female unemployment rate fell to a new record-low 10.5%



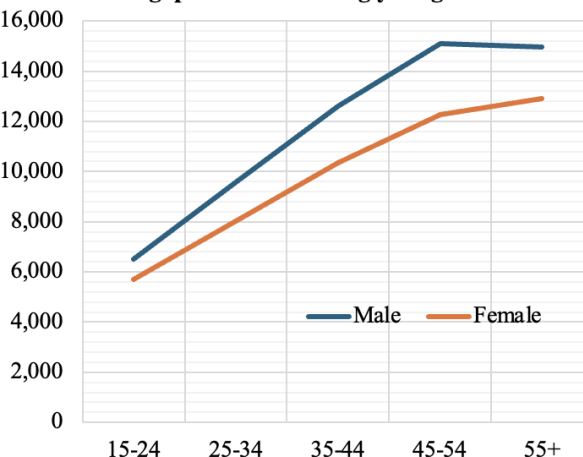
Saudi female unemployment rate fell across most age groups in Q1 (rose among 15-24 yrs)



Saudi female labour force participation rate inched up to 36.3% in Q1 2025 (vs Q4 2024: 36.0% & Q1 2024: 35.8%)



Saudi nationals monthly wage gap was the widest in the 45-54 age group. Saudi men average wages were 1.2X women in Q1 2025, but gap was least among youngest & oldest



Source: Labour market survey Q1 2025, GaStat. Charts created by Nasser Saidi & Associates

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