MENA Momentum Continues: UAE Credit Uptick, Saudi Trade Gains, and Rising Air Traffic

Weekly Insights 28 Nov 2025

- *UAE deposits grow at an average 12.2% pace in Jan-Sep; credit growth inching closer*
- *UAE gross credit & domestic credit grew by 13.7% & 9.2% year-to-date as of Sep*
- *UAE's Q3 credit sentiment survey indicates strong appetite and willingness to lend*
- *Saudi non-oil exports surge in Sep; surplus widened to the most since mid-2024*
- *Middle East Air Passenger & Cargo activity accelerated in Q3*

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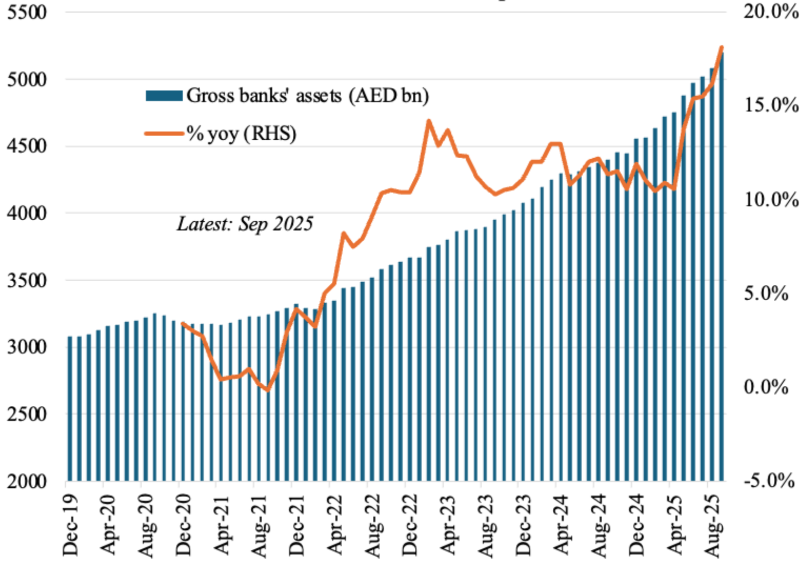
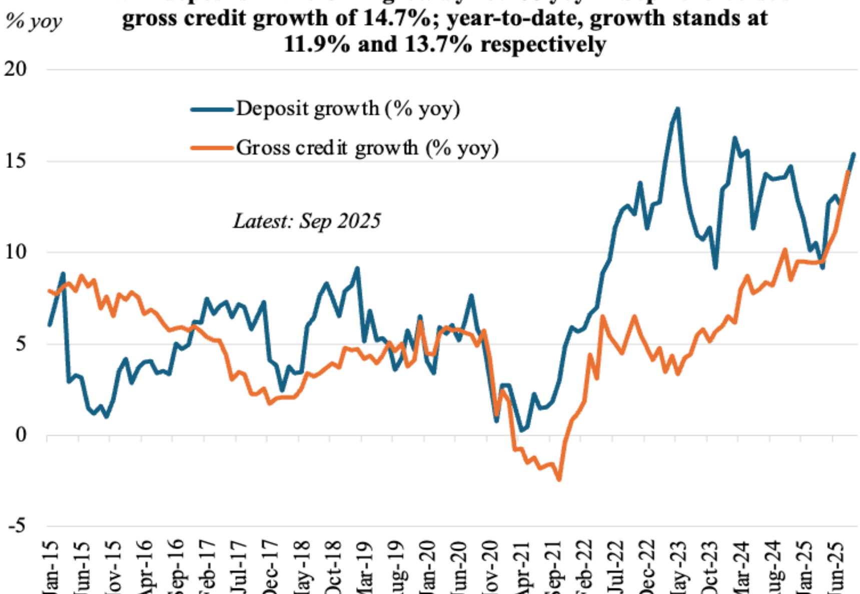
UAE deposits grow at an average 12.2% pace in Jan-Sep; credit growth inching closer

- **UAE's gross bank assets continue to grow at a fast pace**: it increased by 14.1% year-to-date (ytd) to a record AED 5.199trn in Sep. The central bank's **total assets grew to AED 1.012trn in Sep**, up 18.4% yoy & 0.4% mom.
- **Central bank's net international reserves grew** 0.5% mom to AED 966.99bn, but **gold holdings have jumped to AED 28.9bn** (10.6% mom and 46% ytd).
- **UAE banks' deposits grew at an average 12.2% pace in Jan-Sep 2025.** It grew 15.4% yoy in Sep, thanks to a 13.5% yoy rise in resident deposits (to AED 2.9trn) and 38.0% growth in non-resident deposits (9.3% of total deposits).
- **Private sector deposits** (at AED 2.1trn) accounted for 73% of residents' deposits (13.5% yoy). **Government & GREs**, accounted for one-fourth of residents' deposits, rising by 4.7% yoy and 8.1% % respectively.

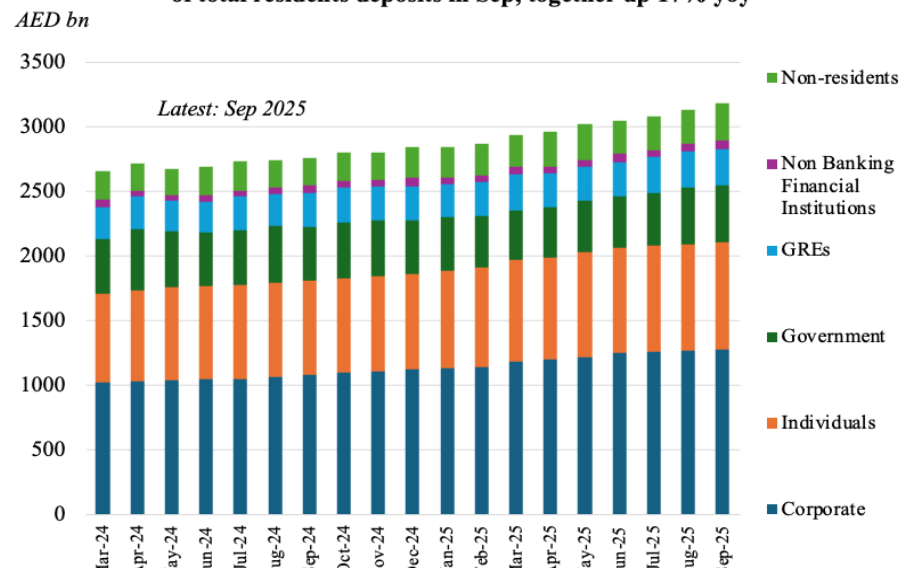
UAE banks' gross assets increased by 2.2% mom and 18.1% yoy to AED 5.1998trn as of Sep 2025



Bank deposits in the UAE grew by 15.4% yoy in Sep 2025 versus gross credit growth of 14.7%; year-to-date, growth stands at 11.9% and 13.7% respectively



Deposits from corporates & individuals in UAE accounted for 73% of total residents deposits in Sep, together up 17% yoy

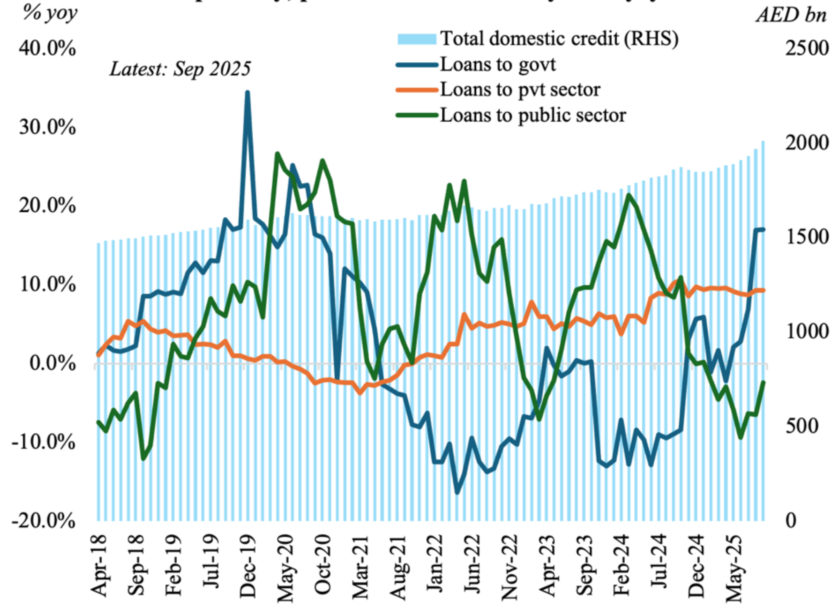


Source: UAE Central Bank. Charts by Nasser Saidi & Associates

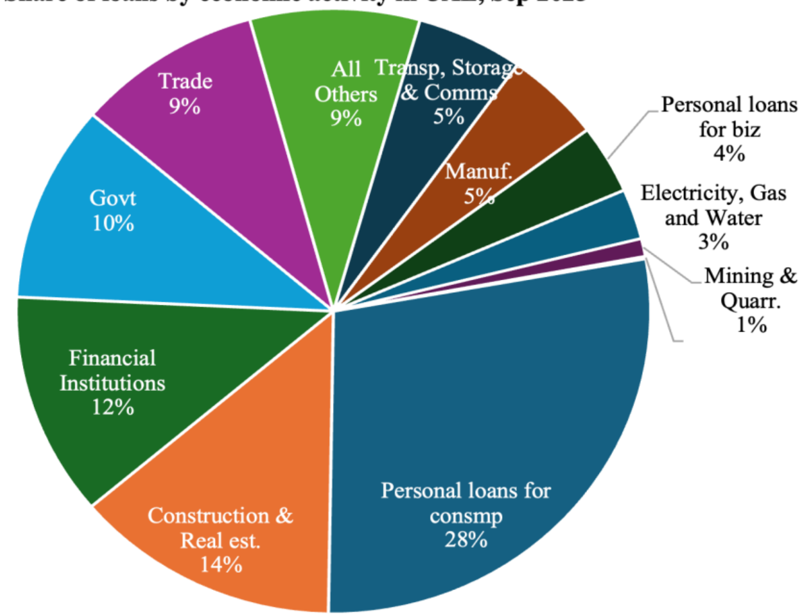
UAE gross credit & domestic credit grew by 13.7% & 9.2% year-to-date as of Sep

- **Average growth in Jan-Sep 2025 of gross credit** (11.2% yoy) and **domestic credit** (6.0% yoy) **lagged overall deposit** (12.2%) in the UAE. Year-to-date, both gross credit & bank deposits are up by 13.7% and 11.9% respectively.
- **Gross credit in the UAE grew by 2.5% mom and 14.7% yoy** to AED 2.478trn in Sep. This was **driven by growth in domestic credit** (8.2% yoy to AED 2.01trn) **and a surge in foreign credit** (54.5% yoy to AED 466.8bn). **Foreign credit** also includes loans and advances to non-residents, which grew by 59.6% yoy to AED 39.1bn.
- **Loans to the private sector accounted for close to three-fourths of domestic credit. Loans to the government** increased by 17% yoy to AED 226.4bn while growth of **loans to GREs** fell 2.4% to AED 276.6bn.
- **Lending to SMEs** increased to AED 89.1bn, the most since end-2021, up 7.7% yoy (fastest growth since Q4 2020) and 1.9% qoq.
- When classifying bank **credit to residents by economic activity, construction & real estate (14%), financial institutions (12%) and government (10%)** were among the top.

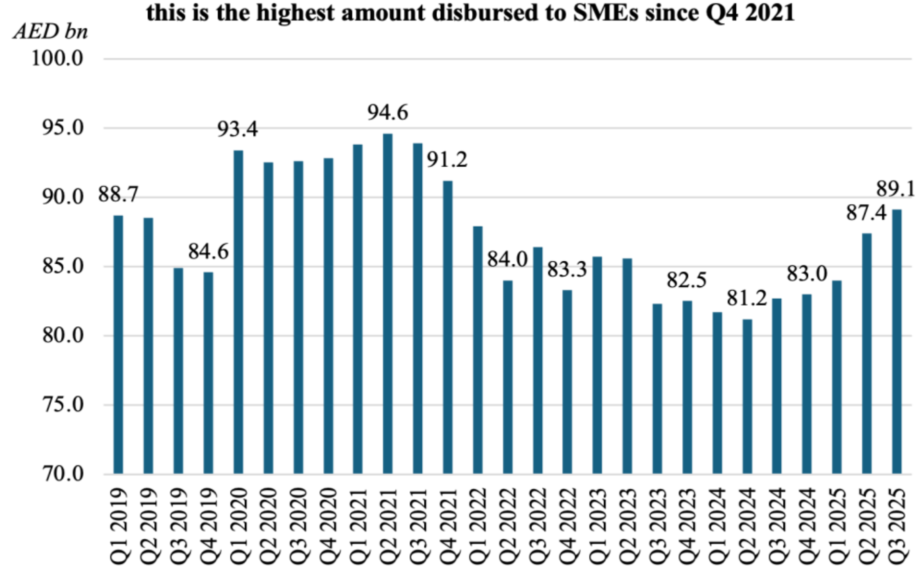
Domestic credit disbursed by UAE banks' grew by 8.2% yoy in Sep. Loans to private & govt sectors grew by 9.2% & 17.0% respectively; public sector loans fell by 2.4% yoy



Share of loans by economic activity in UAE, Sep 2025



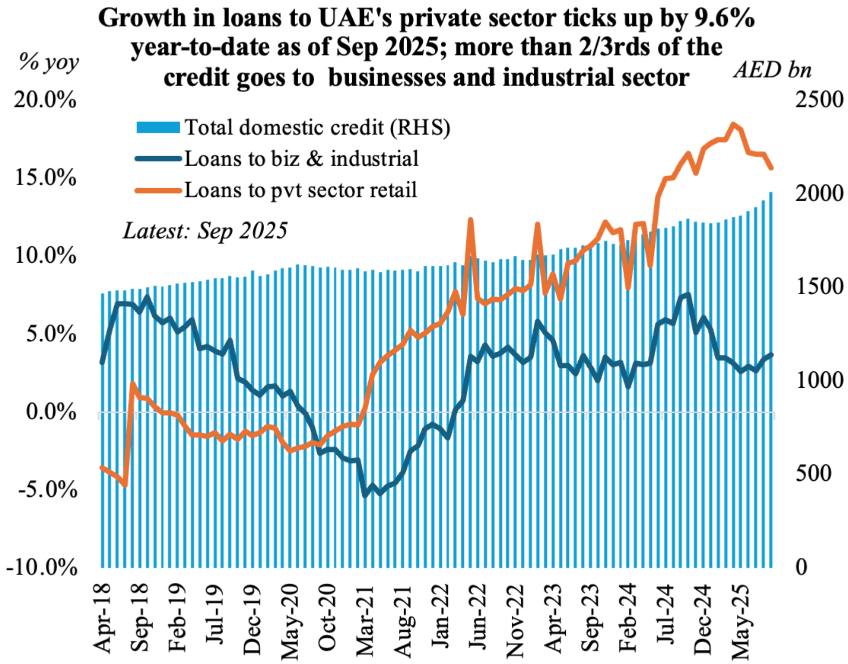
SME lending in the UAE increased to AED 89.1bn as of Q3 2025 (AED bn): equivalent to 6.1% of domestic credit to the pvt sector, this is the highest amount disbursed to SMEs since Q4 2021



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

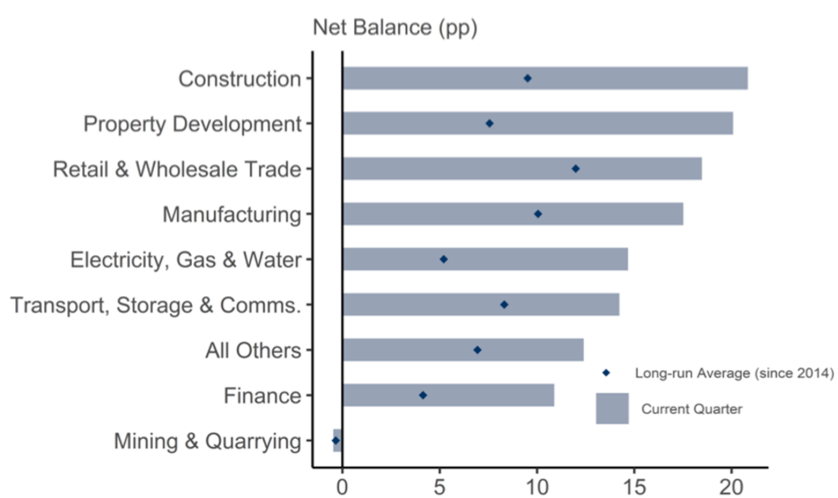
Note: All others in economic activity include Credit to the Service Sector and Non-Profit Institutions

UAE's Q3 credit sentiment survey indicates banks' strong appetite and willingness to lend; rapid increase in personal lending

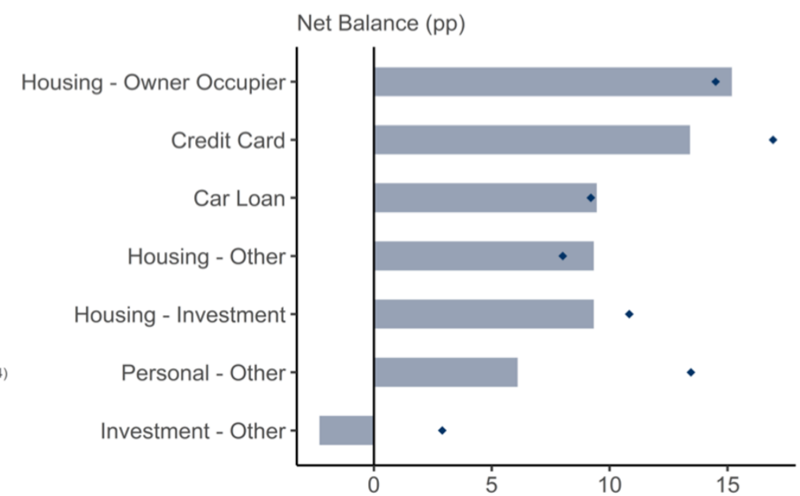


- Loans disbursed to UAE's **business & industrial sector accounted for 45.8% of total domestic credit in Sep 2025**. It grew by 3.7% yoy in Sep (& 5.6% year-to-date) versus a faster pace in the private retail sector (9.4% yoy and 15.7% ytd).
- The UAE central bank's Q3 2025 credit sentiment survey shows a **strong appetite for credit demand.** But domestic credit grew by 8.2% yoy in Sep, at a quicker pace than 6.0% and 7.5% in Jul and Aug respectively.
- **Demand for business loans** rose in Q2 2024: demand was strongest from Dubai (among all emirates) and large firms (by firm category). **The highest growth was seen in construction, property development and retail & wholesale trade** while mining dropped. Appetite will remain strong in Q4 given favourable economic conditions and interest rate changes.
- **Demand for personal loans has increased** and **financial institutions reported increased lending appetite** – most for housing loans and credit cards. This is widely expected to strengthen further in the rest of the year.

Change in Demand for Business Loans by Industry



Change in Appetite for Personal Loans



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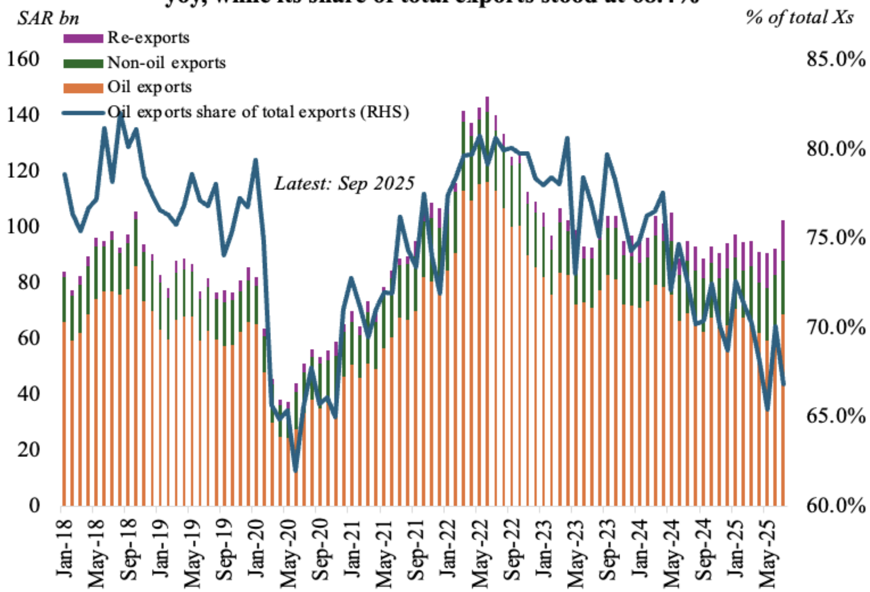
Source: Credit Sentiment Survey Q3 2025, UAE Central Bank.

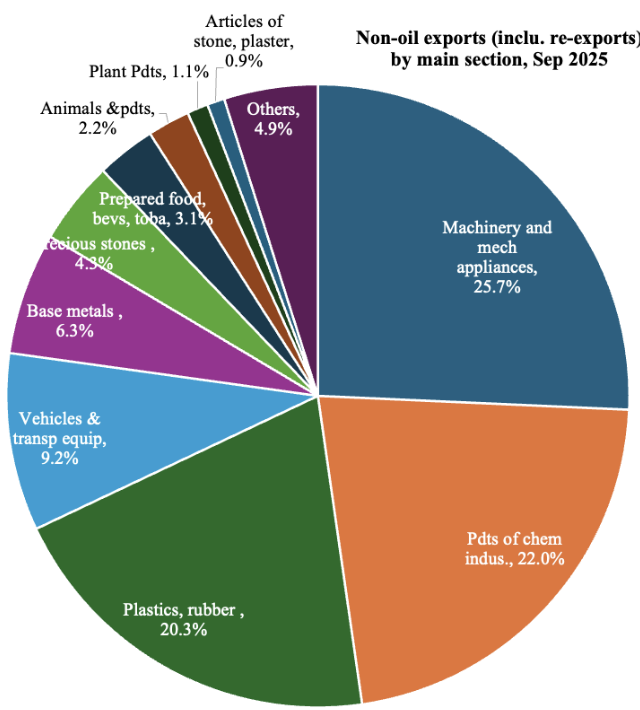
Saudi non-oil exports surge in Sep; surplus widened the most since mid-2024

Non-oil exports (inclu. re-exports) surged by 9.2% mom and 21.7% yoy to SAR 32.1bn in Sep; oil exports jumped by 10.7% yoy, while its share of total exports stood at 68.4%

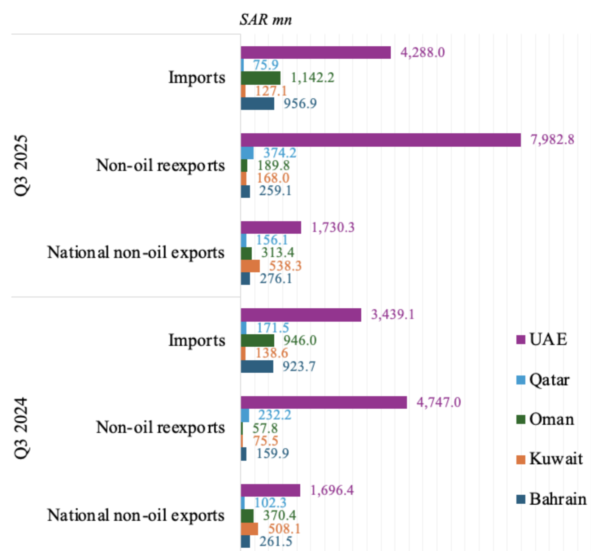


- **Saudi Arabia's overall exports grew by 2.2% mom and 14% yoy** to SAR 101.4bn, with annual gains across all components. **Share of oil exports to overall exports slipped to 68.4%** (Aug: 70.4%).
- **Total non-oil exports (i.e. including re-exports) grew** by 9.2% mom and 21.7% yoy to SAR 32.1bn in Sep. A breakdown shows that re-exports and domestic non-oil exports (i.e. excluding re-exports) grew by 7.7% mom and 10.1% mom to SAR 12.3bn and SAR 19.7bn respectively.
- **Imports fell** by 4.3% mom to SAR 75.4bn (but rose 2.8% yoy), resulting in a **wider trade surplus,** SAR 25.99bn, **the most since May 2024**.
- **Machinery was the largest segment of total non-oil exports** (26%), followed closely by chemicals & its products (22%) and plastics, rubber and their articles (20%). UAE accounted for 30.3% of non-oil exports; share of non-oil exports to GCC was just over 37%.

Non-oil exports (inclu. re-exports) by main section, Sep 2025



National non-oil exports to GCC from KSA surged by 46% yoy in Sep 2025. Non-oil trade surplus more than doubled to SAR 5.4bn in Sep (driven by a 70.2% surge in re-exports & almost doubling of UAE surplus to SAR 5.4bn)



- **China was the largest trade partner for KSA in Apr**: it received 14.3% of Saudi **exports** and was source nation for 28.2% of KSA **imports**.
- **UAE was the top trade partner in West Asia**: received 10.7% of Saudi's total exports and the source for 5.7% of Saudi imports.
- **Saudi non-oil trade with the rest of GCC is substantial**: 37.4% of total in Sep. Non-oil trade surplus with the GCC more than doubled to SAR 5.4bn in Sep from a year ago. This was largely due to a 70.2% surge in re-exports & almost doubling of UAE surplus to SAR 5.4bn.

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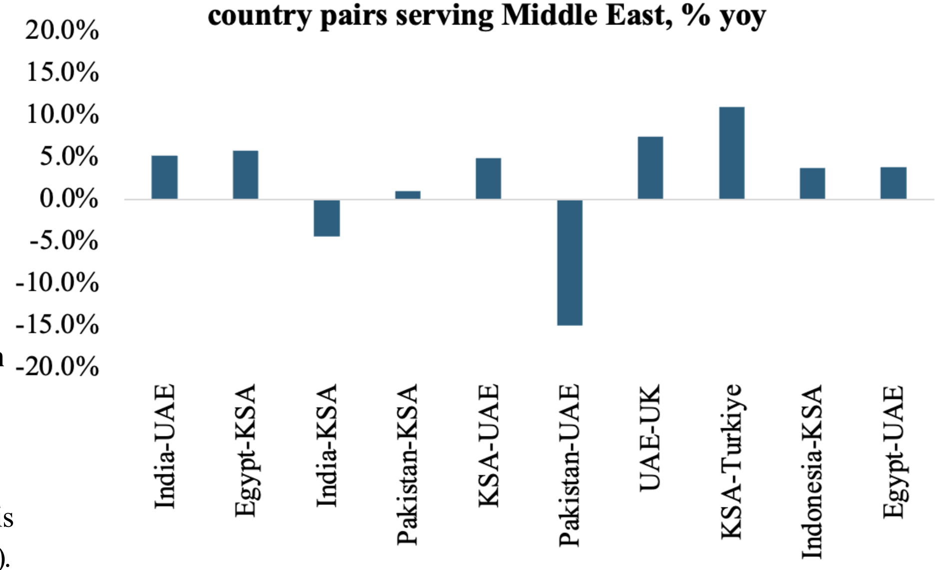
Source: GaStat. Charts by Nasser Saidi & Associates

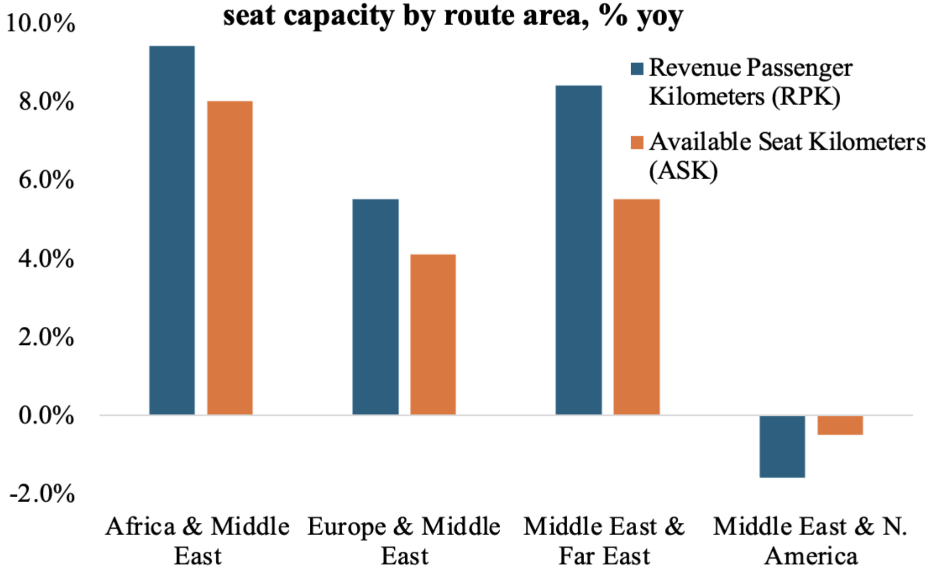
Middle East Air Passenger & Cargo activity accelerated in Q3

- **Middle East airlines recorded an acceleration in both passenger and cargo demand in Q3**, with overall increases 7.2% yoy and 1.9%. Both capacities also expanded in Q3 (6.8% & 4.7% respectively). Passenger Load Factor rose to 83.3%, a historical high for the region.
- The **Middle East-Asia corridor** continues to dominate in passenger traffic, while the Africa-Middle East corridor has been expanding at a much quicker pace in both passenger & cargo.
- Interestingly, there is **evidence of a diversification of cargo routes away from North America** (ACTK dropped 2.7%) into new regions; Middle East-Europe continued its decline though capacity is rising.
- **India & Pakistan were the main Asian destinations for travellers from the Middle East**: however, visitors to India grew (0.3% yoy) while it fell to Pakistan (-5.3%, given the 15% dip in UAE-Pakistan route). **Türkiye** (due to the strong KSA corridor) **and Egypt** (both with UAE & KSA) **were the main connections to Europe & Africa respectively.** Capacity is expected to rise further, given the demand & launch of new airlines (KSA).

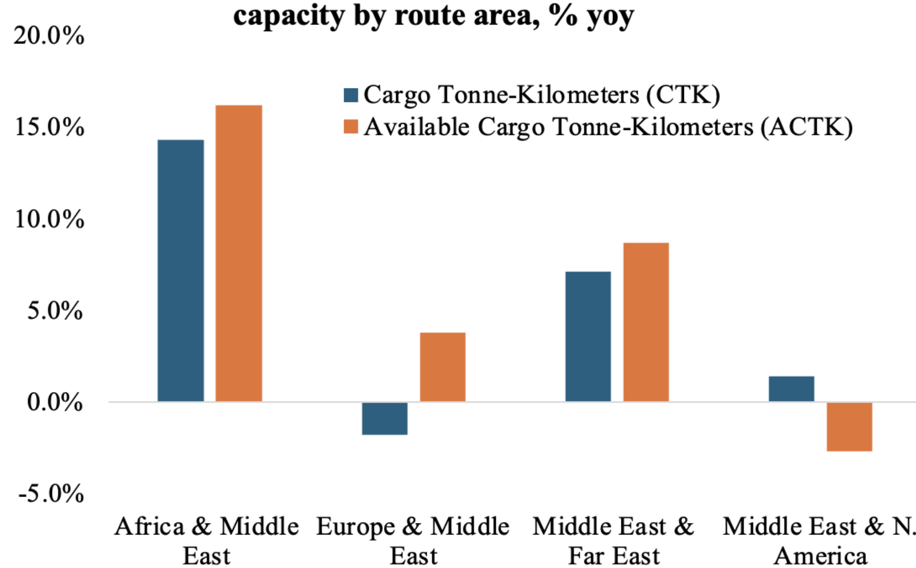
The number of passengers travelling to & from major country pairs serving Middle East, % yoy



Middle East, international air passenger traffic and seat capacity by route area, % yoy



Middle East, international air cargo traffic and capacity by route area, % yoy



Source: Quarterly Air Transport Chartbook - Q3 2025, Nov 2025, IATA.

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