



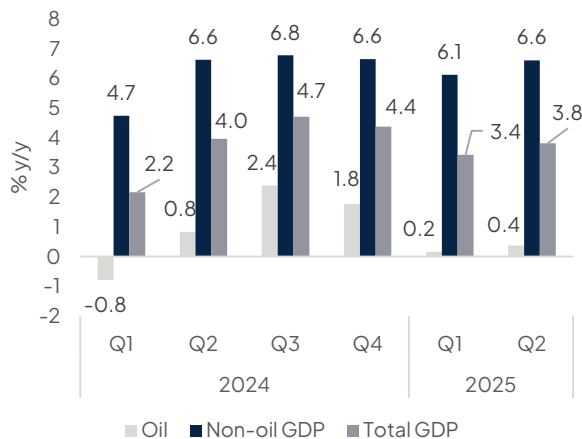
## Abu Dhabi GDP grew 3.8% y/y in Q2

October 3 2025 – Macroeconomics

- Abu Dhabi recorded real GDP growth of 3.8% y/y in Q2 2025, with total GDP reaching AED 306.3bn
- Non-oil GDP grew 6.6% y/y in Q2 and accounted for 56.8% of total GDP

Abu Dhabi's real GDP expanded 3.8% y/y in the second quarter of 2025, marking the eighth consecutive quarter of growth and bringing total GDP to AED 306.3bn. The non-oil economy was the primary driver of growth, expanding 6.6% y/y to reach AED 174.1bn, a record quarterly value. Non-oil activities accounted for 56.8% of total GDP underscoring the emirate's continued diversification away from hydrocarbons. The non-oil economy has seen a material step-up over the post-covid period, growing at a CAGR of 7.1% since 2022, four times the pace of growth seen between 2015-19.

### Abu Dhabi GDP Growth



Source: SCAD, Emirates NBD Research

The sectors that made the largest contributions to Q2 growth include construction, financial services, real estate services and manufacturing, which together accounted for just over 4 percentage points of non-oil GDP growth.

#### Manufacturing: 3.1% y/y (9.8% of GDP)

Manufacturing remains Abu Dhabi's joint-second largest sector alongside construction, contributing 9.8% of GDP (up from 8.5% in 2019). The sector has

maintained solid growth through both the 2015-19 period (8.0% CAGR) and the recent expansion (7.8% CAGR since 2022). Industrial diversification initiatives, including petrochemicals, metals, and downstream industries, continue to support steady expansion. The sector's resilience reflects Abu Dhabi's competitive advantages in energy-intensive industries and proximity to key export markets.

#### Construction: 9.7% y/y growth (9.8% of GDP)

Construction has emerged as one of Abu Dhabi's most dynamic sectors, with a reversal from -1.6% CAGR during 2015-19 to 12.3% CAGR since 2022. Construction's resurgence reflects the execution phase of multiple infrastructure mega-projects like Etihad rail and Abu Dhabi Metro. With AED 82bn of projects currently in execution and AED 18bn in the pipeline according to MEED Projects data, the construction sector is positioned to maintain its strong growth.

#### Financial & Insurance: 10.3% y/y (7.1% of GDP)

The financial services sector has become a cornerstone of Abu Dhabi's diversification strategy. ADGM continues to attract international financial institutions, with the number business licenses expanding by 47% y/y in H1 2025 and assets under management rising 42%. The sector's GDP share has grown from 6.5% in 2019 to 7.1% currently.

#### Real Estate: 10.2% y/y (3.8% of GDP)

Real estate services activity has accelerated sharply, supported by ongoing population growth, infrastructure mega-projects, and investor interest fuelling both residential and commercial development.

Outside of these sectors, there are several others that displayed robust growth in Q2, while playing a smaller role in the aggregate. These were overwhelmingly service-oriented, reflecting Abu Dhabi's diversification into knowledge and services-based activities:

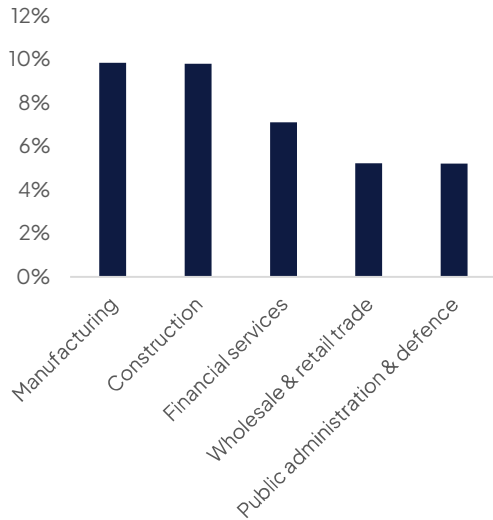
#### Utilities: 12.5% y/y (2.0% of GDP)

The utilities sector continued its strong expansion, driven by population growth, ongoing infrastructure projects, and the buildout of renewable energy capacity. While representing 2.0% of GDP, the



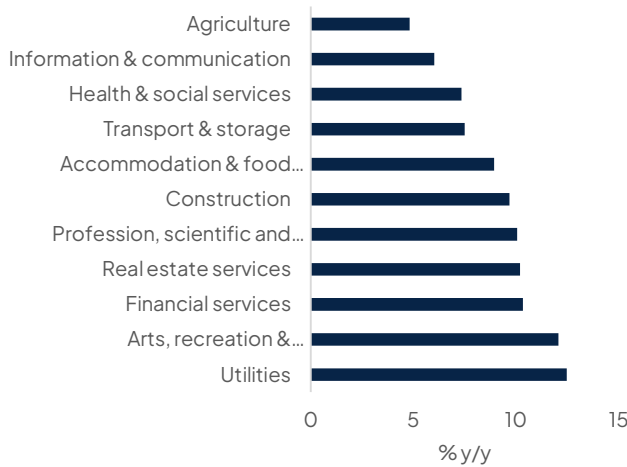
sector's double-digit growth reflects the emirate's commitment to sustainable infrastructure development.

**Top non-oil sectors as a share of total GDP**



Source: SCAD, Emirates NBD Research

**Fastest growing sectors in Q2 2025**



Source: SCAD, Emirates NBD Research

**Arts, Recreation & Other Services: 12.0% y/y (0.2% of GDP)**

The robust pace of growth in the arts and recreation sector likely reflects Abu Dhabi's successful positioning as a cultural and entertainment destination. Major events, theme parks, and cultural institutions like the Louvre Abu Dhabi are driving visitor engagement and economic activity.

**Transportation & Storage: 7.5% y/y growth (2.4% of GDP)**

Transportation is one of the fastest growing sectors driving Abu Dhabi's economic transformation, achieving 14.3% CAGR since 2022 after contracting at -5.3% CAGR during 2015-19. While the sector's share in GDP has remained stable at 2.4%, the sector is a critical enabler of tourism, trade, and logistics.

Abu Dhabi International Airport (AUH) handled 29.4 million passengers in 2024, representing 28.1% y/y growth. Through January-May 2025, Etihad Airways carried 8.4 million passengers, up 16.7% y/y, suggesting continued robust expansion. The airport is on track to exceed 35 million passengers in 2025, cementing Abu Dhabi's position as a major global aviation hub. Abu Dhabi's strategic location as a re-export hub and logistics centre is driving freight activity, with the integration of Etihad Rail with regional networks and the expansion of port facilities positioning the emirate as a critical node in regional and global supply chains.

**Policy Framework Driving Non-Oil Growth**

The acceleration of Abu Dhabi's non-oil economy since 2022 demonstrates effective policy execution across multiple fronts. The Abu Dhabi Economic Vision 2030, launched in 2008, established the strategic framework for this transformation by setting clear targets to reduce oil dependency and build a knowledge-based economy, with non-oil sectors targeted to reach 64% of GDP by 2030. Today's 56.8% non-oil share shows meaningful progress toward this goal.

A variety of policy reforms, including 100% foreign ownership in most sectors, long-term residency programs, and digitizing government services to streamline operations, have all contributed to the rise in non-oil GDP activity.

More recently, the Abu Dhabi Global Market has emerged as a key growth driver of growth in Abu Dhabi's financial services sector, with competitive regulation and infrastructure investment, attracting international institutions and skilled professionals.

Project spending also remains a critical factor in driving growth in Abu Dhabi. Large scale infrastructure commitments, including the national rail network and metro systems, have catalysed the construction sector's dramatic turnaround from contraction to double-digit expansion. Aviation strategy, centred on Abu Dhabi International Airport



بنك الإمارات دبي الوطني  
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expansion and Etihad Airways' restructuring, has transformed the transportation sector.

### **UAE Outlook Forecast**

Abu Dhabi's economy maintained its solid growth trajectory in Q2 2025, with the non-oil sector continuing to lead the expansion. Building on this strong performance and considering the anticipated acceleration in oil sector output due to OPEC+ strategy to return barrels to the market more rapidly than initially planned we expect the UAE to see aggregate GDP growth of 4.8% in 2025, with non-oil sectors growing 4.7% and the oil sector seeing a sharp acceleration to 5.0% growth. We expect the economy to grow further into 2026 at 4.6%.

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