



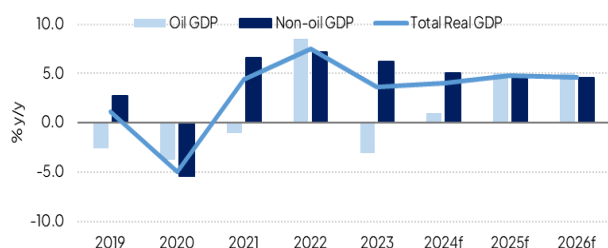
## UAE: 4.0% growth in 2024

June 16 2025 – Economics

- The UAE saw real GDP growth of 4.0% in 2024, driven by 5.0% growth in the non-oil economy.
- The oil sector lagged with growth of around 1.0% as oil production curbs remained in place.
- We forecast a headline expansion of 4.8% this year, on 4.7% non-oil growth and an acceleration to 5.0% for oil GDP.

The UAE logged real GDP growth of 4.0% in 2024 according to a statement published by WAM, driven by 5.0% growth in the non-oil economy and a little less than 1.0% growth in the oil sector. This beat our predictions of a headline growth rate of 3.7%, with both components coming in a little stronger than our expectations of 4.5% growth in non-oil GDP, and flat growth in hydrocarbons activity. With higher base effects following several years of strong growth and somewhat softer PMI readings through January to May we forecast non-oil growth of 4.7% this year. For the oil economy, we forecast a significant acceleration in growth to 5.0%. Together, this gives us a headline growth forecast of 4.8% in 2025.

### 4.0% growth in 2024



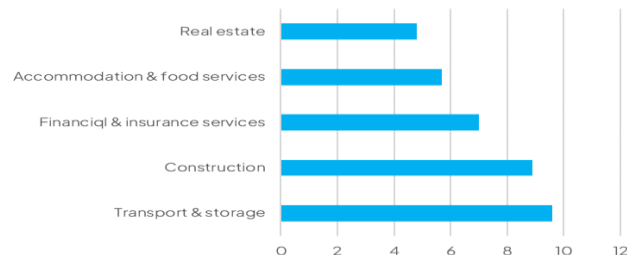
Source: Haver Analytics, WAM, Emirates NBD Research

For the oil sector, we expect that upwardly revised baseline target levels for the UAE, along with the recent shift in OPEC+ strategy to return barrels to the market more rapidly than had been initially planned, will see much higher oil output from the UAE this year. This is already playing out, as while the UAE's oil production was unchanged y/y in Q1 at 2.91m b/d according to Bloomberg estimates, in Q2 this rose to 3.09m b/d, up 6.2% on the 2.91m b/d produced in Q2 2024. Combined with ongoing investment in the sector and growth in condensates production, the hydrocarbons sector should provide a notable boost to growth this year.

Looking at the non-oil sector, the fastest-growing sector in 2024 was transport & storage as it continued its remarkable post-pandemic run with

growth of 9.6%. While some components of this may see a modest slowdown this year we still expect fairly solid growth, especially given the performance so far. The GDP component encompasses the important freight transport & logistics sector, and Dubai's Jebel Ali container port realised a 7.4% expansion in container throughput last year. In Q1 2025, growth accelerated to 10.0% as 4m boxes passed through the facility in the three-month period. There may have been an element of shippers looking to get ahead of any nascent trade war behind this boost, and the rise in protectionism certainly raises some downside risks to the outlook through Q2-Q4, but it is a robust start to the year nonetheless.

### Transport sector driving growth



Source: WAM, Emirates NBD Research

The primary driver of growth in the transport & storage sector remained passenger aviation, and the government communiqué highlighted the role played by the UAE's airports which saw passenger growth of around 10% to 147.8m passengers last year. We expect that aviation will continue to underpin the UAE's growth in 2025, both through facilitating domestic tourism, and through the ever-expanding transit business. Q1 has got off to a solid start with DXB reporting y/y growth of 1.5% to 23.4m passengers, leading to an upwards revision to the airport's 2025 forecast to 96m by year-end, up from the previous prediction of 94m. This would represent y/y growth of 4.0% if realised, a little slower than the 6.0% seen in 2024, but AUH is likely to continue on its rapid pace of expansion. Last year the facility handled 29.4m passengers,



representing growth of 28.1%, and while base effects may see this soften moderately, the fact that Etihad carried 8.4m passengers over January–May, up 16.7% y/y, would suggest that growth remains solid.

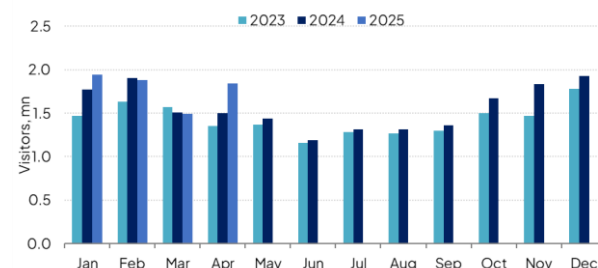
The second-fastest growing sector in the UAE last year was building & construction, which expanded 8.4% according to the WAM statement, moderately slower than the 8.9% growth seen in 2023, but still at levels not seen since before the global financial crisis. For context, growth in the sector between 2011 to 2022 averaged just 0.5% annually. Given the massive levels of project spending planned in the UAE, we expect that construction will continue to support growth as a surge in residential property construction is bolstered by major government projects including Etihad Rail, Al Maktoum International Airport, the Abu Dhabi metro, and Dubai's blue metro line. There is presently USD 254bn of projects in execution and USD 766bn in the pipeline according to Meed Projects data. The S&P Global PMI survey for Dubai's construction sector remains firmly in expansionary territory at an average 53.7 over January to May this year, down only modestly from 54.0 over the corresponding period in 2024.

Relatedly, the real estate sector saw growth of 4.8% last year, compared with 5.9% in 2023. Dubai's real estate sector got off to a somewhat slower start in Q1 than in Q4 of last year, but the pace has accelerated in April and May and the total number of units sold across the city YTD has reached 78,575 which is 27% more than the total units sold during the initial five months of 2024. Given ongoing growth in the UAE's population, and interest in real estate from investors, it should continue to support the headline expansion this year, and further anticipated rate cuts could encourage more owner-occupiers within the market.

Financial & insurance activities followed construction with growth of 7.0%. This was half the pace of the 14.3% expansion seen in 2023 but remained well above the recent series average. Abu Dhabi has been driving the expansion here as the sector expanded by 6.6% last year, though with an average growth rate of 4.4% over Q1–Q3, Dubai's financial services also continue to grow. The outlook for 2025 remains strong as the number of financial services entities at the ADGM expanded by 26% y/y in Q1 this year to 367. The total number of employees there rose by 17% y/y to 29,000 in the

same period. The DIFC also logged strong growth in 2024 as the number of active companies rose by 25% on 2023's figure and there was a 37% jump in revenue last year. With apparent strong demand for office space in both locations and ongoing marketing for the 'capital of capital', financial services will likely remain a notable growth sector this year.

### Dubai visitor growth still positive ytd



Source: DTCM, Emirates NBD Research

Finally, hospitality, or accommodation & food services, expanded 5.7% last year, an acceleration on the 5.5% seen in 2023. Growth here is driven by both local consumers, boosted by an expanding population, and by an increase in tourist arrivals to the country. Last year, Dubai handled 18.7m visitors, up 9% y/y, while Abu Dhabi's international arrivals expanded by 28% to 3.2m. There are some question marks over the potential pace of growth this year, as global consumer confidence dips in the face of trade wars. Dubai's Q1 figures saw a slower expansion rate of 3%, with modest annual declines in February and March arrivals. However, there is a significant volume of seasonal noise in those Q1 figures with the moving Easter holidays, and after a surge in April, arrivals are up 7% y/y over the first four months of the year. A weaker dollar should also be supportive of visitor spending this year.

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