

GCC & UAE:

Economy & Market Update

October 2026

M&A Market: Sovereign and Energy Capital Anchor a Selective Q3

\$52.6Bn

UAE M&A Deal Value — H1 2026 (80.9% of GCC total)

\$46.7Bn

MENA Completed M&A Value — H1 2026 (EY)

\$49Bn

MGX Fund I Final Close — July 2026

\$1.3Bn

ADNOC L&S Tanker Fleet Acquisition — Aug 2026

With the third quarter now closed, the clearest picture of regional dealmaking still comes from H1 2026 data, and the major trackers tell the same story from different angles. **Grant Thornton's UAE and GCC review** puts disclosed GCC deal value at **\$65.1 billion across 192 completed deals, with the UAE contributing \$52.6 billion (80.9%) and 131 deals**. **EY** counts 390 completed MENA deals worth \$46.7 billion, down 21% in value and 10% in volume year-on-year but with Q2 value doubling to \$25 billion. **LSEG**, which tracks announced transactions with any MENA involvement, records \$48.7 billion across 642 deals, down 47% in value and 2% in volume, while PwC's narrower study counted 272 deals. The spread reflects scope and methodology (completed versus announced deals, geographic coverage), so the figures are best compared within a tracker rather than across them.

Q3 activity tilted toward energy, shipping and sovereign capital. On 7 August, **ADNOC Logistics & Services agreed to acquire 11 tankers for about \$1.3 billion** (six VLCCs and five VLGCs), taking its fleet to 14 crude carriers and 12 gas carriers, with nine vessels due for delivery in Q3 and two newbuild resales in Q4. In July, **ADNOC Distribution signed an agreement to acquire Shell Downstream South Africa at an enterprise value of about \$1 billion**, with completion expected in 2027, and e&s \$5.95 billion exit from Vodafone set the tone for the quarter. On the capital-raising side, Abu Dhabi's **MGX closed its Fund I at \$49 billion, above its \$45 billion target**, having invested in 14 companies across semiconductors and AI infrastructure. At the time of writing, Q3 and nine-month tallies from the main trackers had not yet been published; we will update the picture in the next edition.

Key UAE Deals & Capital Raises — Q3 2026 Highlights

Acquirer / Target	Value	Sector	Notes
e& / Vodafone Group (stake sale)	\$5.95Bn	Telecom	Announced 10 Jul; full exit of 16.21% stake to Vega (Niel family group); ~\$1.3Bn net cash return
MGX / Fund I final close	\$49Bn	AI infrastructure	Closed 1 Jul above the \$45Bn target; 14 portfolio companies since inception
ADNOC L&S / 11 VLCC and VLGC tankers	~\$1.3Bn	Shipping	Announced 7 Aug; fleet rises to 14 VLCCs and 12 VLGCs; two newbuild resales due Q4
ADNOC Distribution / Shell Downstream South Africa	~\$1.0Bn (EV)	Energy retail	Signed 10 Jul; 100% acquisition; completion expected 2027, subject to approvals
Dubai Aerospace Enterprise / Macquarie AirFinance	\$9.0Bn	Aviation	H1 anchor deal per Grant Thornton's review; UAE's largest transaction of the half

UAE Real Estate: Value Holds Up, Ready Homes Gain, Abu Dhabi Surges

AED 574.12Bn

Dubai RE Transactions —
Jan–Sep 2026 (165,018
deals)

AED 21.30Bn

Dubai Home Sales —
September 2026 (10,108
homes)

AED 95.74Bn

Abu Dhabi Home Sales —
Jan–Sep 2026 (+111%
YoY)

68.9%

Off-Plan Share of Dubai
Home Sales — Sept (73.9%
in Aug)

Dubai Land Department data show **AED 574.12 billion in real estate transactions across 165,018 deals in January–September 2026**, equal to 62.5% of the AED 919 billion recorded for the whole of 2025. Property sales alone reached AED 379.4 billion across 123,416 transactions, the second-highest nine-month level on record. A notable shift is under way in the mix: year-to-date, **ready-property sales (AED 196.08 billion) have overtaken off-plan (AED 183.32 billion) by value**, and in September ready properties led off-plan in value terms (AED 16.03 billion versus AED 13.63 billion) even though off-plan still accounted for 7,476 of 11,430 sales transactions. Mortgage registrations totaled AED 151.13 billion year-to-date.

Looking at home sales specifically, Projectory's analysis of DLD registrations counts **10,108 homes worth AED 21.30 billion in September, down 9.5% in volume and 2.0% in value from August**. Most of the monthly fall came from a single development, Azizi Venice, which recorded 1,049 fewer sales while the rest of the city was essentially flat (9,654 versus 9,660). Completed-home value rose 40.3% to AED 9.04 billion, lifting its share of value from 29.6% to 42.4%, while the median price per square foot slipped 3.1% to AED 1,639. The year-on-year comparison remains stark because September 2025 was a record: sales were 46.9% lower and value 51.3% lower, and January–September home sales of 111,026 worth AED 261.43 billion compare with 146,001 worth AED 389.18 billion a year earlier (roughly -24% in volume and -33% in value). AGBI's analysis of DLD data adds that off-plan accounted for 59% of Q3 sales value, down from 68% a year earlier, with the median off-plan apartment price down nearly 5% year-on-year to AED 1,703 per square foot while resale apartments rose by under 2% to AED 1,514.

Abu Dhabi, by contrast, is running well ahead of last year. ADREC data analyzed by Projectory show **2,081 home sales worth AED 9.82 billion in September, with value 38.0% higher than a year earlier despite 12.9% fewer sales**, and January–September registrations of 21,273 homes worth AED 95.74 billion versus 14,258 worth AED 45.45 billion in the same period of 2025. Off plan made up 80.5% of September sales, Hudayriyat led by value (AED 4.10 billion across 499 homes), and 181 homes sold at AED 10 million or more, more than double the 87 recorded in September 2025. The CBUAE's September review corroborates the trend, noting Abu Dhabi sales volumes rose 114.2% and 77.7% year-on-year in Q1 and Q2, while Dubai's H1 transaction value of AED 419.7 billion was the second-strongest first half on record and Dubai's population grew by more than 150,000 year-to-date to about 4.7 million.

UAE Real Estate — Key Metrics (till September 2026)

Metric	Value	Change	Notes
Dubai total RE transactions, Jan–Sep	AED 574.12Bn / 165,018 deals	62.5% of FY2025	All asset classes — DLD
Dubai property sales, Jan–Sep	AED 379.4Bn / 123,416 deals	2nd-highest on record	Ready AED 196.08Bn vs off-plan AED 183.32Bn
Dubai home sales, September	AED 21.30Bn / 10,108 homes	-9.5% vol / -2.0% value MoM	Azizi Venice drove most of the monthly fall
Dubai home sales, Jan–Sep	AED 261.43Bn / 111,026 homes	-33% value / -24% vol YoY	vs AED 389.18Bn / 146,001 in 9M 2025
Dubai median price per sq ft, Sept	AED 1,639	-3.1% MoM	Median registered price AED 1.28M
Abu Dhabi home sales, Jan–Sep	AED 95.74Bn / 21,273 homes	+111% value / +49% vol YoY	vs AED 45.45Bn / 14,258 in 9M 2025
Abu Dhabi home sales, September	AED 9.82Bn / 2,081 homes	+38.0% value YoY	Off-plan 80.5% of sales; 181 homes at AED 10M+

UAE Economy: A Trough Year, with a Sharp Rebound Projected for 2027

1.6%

UAE Real GDP Growth Forecast — 2026 (CBUAE, Sept QER)

10.4%

UAE Real GDP Growth Forecast — 2027 (up from 9.8%)

3.8 mbd

UAE Oil Production — June & July 2026 (near-record)

AED 5.6Tn

UAE Banking Assets — Q2 2026 (+12.5% YoY)

The Central Bank of the UAE's **September 2026 Quarterly Economic Review**, published on 1 October, trimmed its 2026 forecast to **1.6% (from 1.7% in June)** but raised the 2027 outlook to **10.4% (from 9.8%)**. The profile is driven by oil: production, which averaged 2.0 million barrels per day in March–May, rebounded to a near-record 3.8 million in June and July (up 25.9% and 20.3% year-on-year), and the CBUAE expects hydrocarbon activity to grow 2.4% in 2026 and 26.8% in 2027 as output reaches 5 million barrels per day. Non-hydrocarbon GDP is projected to expand 1.3% in 2026 and 4.9% in 2027. Khaleej Times notes the ramp-up follows the UAE's exit from OPEC earlier this year, and quotes Economy Minister Abdulla Bin Touq Al Marri describing 2027 as a "counter-attack year" after a war-affected 2026.

The review's detail on Q1 2026 shows where the economy held up. Real GDP grew 3.0% and non-oil GDP 4.8%, led by **financial and insurance activities (+17.3%, adding 2.4 percentage points)** and **construction (+8.1%, adding 1.0 point)**, while manufacturing (-3.0%), transport and storage (-2.2%) and accommodation and food services (-5.8%) contracted and hydrocarbon activity softened 3.5%. Momentum improved into Q3: the non-oil PMI rose to 52.7 in July, a four-month high, and employees covered by the Wages Protection System were up 11.2% year-on-year in June. Banking remained a source of strength, with assets up 12.5% to AED 5.59 trillion, loans up 18.1%, deposits up 14.0%, a capital adequacy ratio of 17.0% and an NPL ratio of 2.8%. Pressure points are prices and fiscal spending: the CBUAE now forecasts inflation of 2.4% for 2026 (1.9% in 2027), Dubai's CPI reached

5.3% in Q2 (transport +15.1%, housing +7.3%), and a deliberate increase in capital spending moved the Q1 fiscal balance to a deficit of AED 10.4 billion (1.9% of GDP) from a surplus a year earlier. On monetary policy, the CBUAE held its Base Rate at 3.65% through July before raising it by 25 basis points to 3.90% on 17 September, tracking the US Federal Reserve.

UAE Economic Indicators: 2025 Actual, 2026 & 2027 Outlook (CBUAE)

Indicator	2025 Actual	2026 Forecast	2027 Forecast	Notes
Real GDP Growth	6.2%	1.6%	10.4%	Q1 2026 actual: +3.0%
Non-Hydrocarbon GDP	6.8%	1.3%	4.9%	Q1 2026 actual: +4.8%
Hydrocarbon GDP	4.3%	2.4%	26.8%	Output to reach 5 mbd in 2027
CPI Inflation	1.3%	2.4%	1.9%	Dubai CPI 5.3% YoY in Q2 2026
CBUAE Base Rate (ODF)	3.65% (end-2025)	3.90% (from 17 Sep)	—	Tracks US Fed IORB
Non-Oil Foreign Trade (Q1)	—	AED 941.2Bn	—	+20.5% YoY; non-oil exports +31.5%

Startup Ecosystem & VC: Saudi Fintech Surge Lifts MENA; UAE Holds Second

\$1.1Bn

MENA Startup Funding — September 2026 (73 deals, +193% MoM)

\$1.65Bn

MENA Startup Funding — Q3 2026 (145 deals, +108% QoQ)

\$98.4M

UAE Startup Funding — September 2026 (12 deals)

\$507M

UAE Startup Funding — Q3 2026 (41 deals)

According to **Wamda's September 2026 report**, MENA startups raised **\$1.1 billion across 73 deals, up 193% from August** but still 68% below September 2025. The rebound was highly concentrated: Saudi fintechs Barq (\$329.5 million Series A), Tabby (\$233 million Series F at a \$6.5 billion valuation) and Lendo (\$200 million of debt) together raised \$762.5 million, nearly 70% of the month's total. **Saudi Arabia took \$947.2 million (about 86%) and fintech 85% of regional funding**, while the UAE, which led in August, slipped to second with \$98.4 million across 12 deals, 71% of it in fintech. Debt was 31.7% of the total, well below 76% in September 2025, and five later-stage companies raised a combined \$288 million.

For the quarter, **MENA startups raised \$1.65 billion across 145 deals, up 108% on Q2 but about 63% below Q3 2025's \$4.5 billion**, lifting nine-month funding to roughly \$3.4 billion. Saudi Arabia (about \$1 billion across 62 deals) took the top spot from the UAE, which raised **\$507 million across 41 deals, down 14% from Q2's \$591.3 million**. Mobility was the UAE's largest sector (\$250 million, all from Moove's Series C) followed by fintech (\$164.3 million across 15 deals), and Moove and Fasset's \$68 million Series C together made up \$318 million, about 63% of the UAE total; excluding them, UAE startups raised \$189 million. Across the region, debt was 26.8% of Q3 funding versus almost 59% in

2025, later-stage deals returned (seven rounds worth \$606 million), and female-led startups raised just \$12.7 million, under 1% of the total.

Notable Startup & VC Developments: September 2026

- MENA startup funding reached \$1.1Bn in September, +193% MoM but 68% below September 2025; three Saudi deals made up nearly 70% of the total (Wamda)
- Saudi Arabia captured \$947.2M (about 86%) of September funding; fintech took 85% of the regional total, led by Barq, Tabby and Lendo (Wamda)
- The UAE slipped to second in September with \$98.4M across 12 deals; five fintech startups accounted for 71% of the UAE's total (Wamda)
- UAE Q3 funding was \$507M across 41 deals (-14% QoQ); Moove (\$250M) and Fasset (\$68M) made up about 63%, and the UAE raised \$189M excluding them (Wamda)
- Regional debt financing fell to 26.8% of Q3 funding from almost 59% in 2025, with later-stage startups raising \$606M across seven deals (Wamda)
- Female-led startups raised \$12.7M in Q3, under 1% of the \$1.65Bn regional total, while male-led startups took 98.3% (Wamda)

Capital Markets, GCC-UK FTA & Key Policy Developments

UAE equities were the Gulf's relative bright spot in September. According to Kamco Invest's monthly review, **the DFM and ADX were the only two GCC markets to close the month in the green, even as the MSCI GCC index fell 3.5%**, its biggest monthly decline since November 2025, as the regional conflict dragged on and attacks on Saudi oil facilities pushed crude to a near four-month high. The DFM General Index rose 2.1% in September (trading volume almost doubled to 6.7 billion shares, led by communications and real estate) and is -1.4% year-to-date, +0.1% over Q3; the ADX gained 0.6%, its fourth straight monthly rise, and is +0.8% year-to-date, +2.7% over Q3. Both bourses recovered materially from their end-March lows, when the DFM fell 16.4% and the ADX 8.9%. The CBUAE adds that Abu Dhabi and Dubai sovereign credit default swap spreads, at 42.1 and 75.8 basis points in Q2, remain among the lowest in the region.

On trade policy, the **GCC-UK Free Trade Agreement** remains a work in progress. On 20 May 2026, GCC Secretary-General Jasem Albudaiwi and UK Trade Minister Chris Bryant signed in London a joint statement concluding negotiations; the legal text must still be finalized and formally signed, and the agreement enters into force only once the UK and all six GCC states complete ratification. Once implemented, the GCC will fully liberalize 90% of tariff lines within ten years, with duties removed on roughly 93% of current UK exports to the GCC, and the deal covers trade in goods and services, financial services, digital trade, investment protection and government procurement. In the primary market, no listing date has been announced for Etihad Airways; its management has previously said the timing is a decision for shareholder ADQ. Government support measures (the CBUAE Financial Institution Resilience Package, Dubai's AED 2.5 billion support initiative and infrastructure spending) continue to underpin the outlook, according to the central bank.

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