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## Abu Dhabi Non-Oil Economy Booms Amid Push to Attract Businesses

- GDP outside the oil industry rose by 12.3% in second quarter
- Ray Dalio and Goldman have set up offices in emirate this year

By Abeer Abu Omar

(Bloomberg) -- Abu Dhabi's non-oil economy expanded briskly in the second quarter as its efforts to become a hub for hedge funds and other financial firms start to pay off.

Gross domestic product in the emirate's private, non-oil sector rose over 12% on an annual basis to a quarterly record of 154 billion dirhams (\$41.9 billion), according to preliminary government data published Monday. Overall economic output – heavily dependent on oil and gas production – rose 3.5% during the quarter.

The financial sector grew nearly 30% year-on-year. Several major firms have opened offices in Abu Dhabi, capital of the United Arab Emirates, or moved senior executives there this year. Among them are Goldman Sachs Group Inc., Brevan Howard Asset Management and Ray Dalio's family office.

The boom is similar to that in Dubai, the UAE's biggest city, which has seen a mass of financial, legal and crypto professionals move there in the past two years.



Abu Dhabi is trying to boost its annual non-oil exports to nearly \$50 billion by 2031, including in the food-processing, pharmaceuticals and chemicals sectors, according to Ahmed Jasim Al Zaabi, chairman of the Abu Dhabi Department of Economic Development.

As part of this, the government wants to provide investment opportunities totaling more than \$33 billion by 2027, the

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department said.

Abu Dhabi has sovereign wealth funds with more than \$1 trillion of assets. They've been investing heavily at home and abroad, a major lure for foreign financial companies seeking new business.

Both Abu Dhabi and Dubai are facing increasing competition from Saudi Arabia, which is spending hundreds of billions of dollars to diversify from oil and become a hub for finance, tourism and logistics.

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Abu Dhabi's Sector Growth:

- The value added by the construction sector stood over 19% year-on-year during the second quarter, with the industry accounting for nearly 9% of Abu Dhabi's GDP
- Manufacturing activity grew 7%, contributing over 25% to non-oil GDP
- Wholesale and retail trade activities also expanding significantly

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Abu Dhabi is increasingly an "economic powerhouse and preferred destination for talents, businesses and investments," said Al Zaabi.

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