

AVIATION
BUSINESS

MIDDLE EAST

Lifting Economies

The Impact of the Aviation Sector
on Middle Eastern Economies

By Aviation Business ME



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Forward

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The aviation sector in the Middle East is unique among its peers. Its airlines are connecting people from the furthest corners of the globe. Its governments are demonstrating sustained commitment to an industry recognized for its tremendous power to boost economic development and growth. Local and international airframe, aircraft engine, MRO and other technology providers are focused on meeting the distinct needs and requirements of this market. Its passionate and committed workforce delivers every day to keep the industry moving forward.

There are clear reasons why aviation in the Middle East stands apart. As this white paper demonstrates, it has established itself as one of the most dynamic and impactful industries anywhere on the globe. Not only is the sector already having a significant impact, its ability to foster job creation and economic growth is forecast to accelerate.

This white paper is a celebration of what our industry has already achieved and what it is set to accomplish in the years ahead. This document makes clear that those of us working in this industry can be proud that what we do every day has a profound and positive impact that ripples across our communities.



Executive Summary

In the Middle East, the aviation sector plays a significant and strategic role in economic development. As this white paper explains, aviation has a multiplier effect on regional economies. From job creation, which is set to more than double – the highest increase in jobs for any region – to GDP where aviation's contribution is set to increase by more than 150% – also among the highest.

These numbers reveal a unique aspect of the Middle East's aviation sector. While today the sector has a relatively high rate of GDP and job impact on par with regions like Europe and North America, its impact is projected to grow at a more rapid pace on par with regions such as Africa and Asia-Pacific.

This is primarily driven by two factors. First, governments across the region have made large and high-profile investments in strengthening the sector. Second, the region is itself fast-growing and surrounded by other regions with similarly high growth projections.

We will see that these two elements – government policy and geography – are central to the strength of the region's aviation sector and its outsized impact on regional economies. This white paper explores both elements and takes a deeper dive into the numbers themselves, on both a national and regional level.

In addition, a special focus on Saudi Arabia's aviation sector provides on-the-ground examples of the mechanisms by which aviation contributes to economic development. The case study also illustrates the kinds of policy choices governments are making to further deepen and strengthen aviation and related sectors.

Looking ahead, this document explores emerging trends that will impact the regional industry, including the expanding role of artificial intelligence in everything from predictive maintenance to fuel optimization by pilots. Sustainability will become even more central, with sustainable aviation fuel (SAF) and engine design innovations helping move airlines toward the industry's net-zero carbon goals. The synergies between the aviation sector and the emerging space industries in the region also will be examined.

The white paper concludes with a series of recommendations to further strengthen the sector and amplify its impact on regional economies. These include greater harmonization of laws and regulations, expansion of airspace availability, and more in-region training and education. Other suggestions include ensuring that infrastructure spending is rigorously assessed and implemented efficiently, and even more policy action to support SAF uptake and supply build-out. Finally, given the significant role tourism is set to play, governments need to pursue outreach internationally to burnish the image of the region in the eyes of prospective tourists.



Source: GE Aerospace

Aviation's impact on the Middle East



4.3% of GDP



4 million jobs:
direct, indirect, induced &
tourism catalyst



5% of all employment,
the highest share globally



580,000 direct jobs



\$3.60 of economic activity
supported by every \$1 of aviation
value add



Source: Stock image-FREEPIK

Introduction: How aviation supports economic development

Almost since the first "heavier-than-air" aircraft¹ began flying in the early 20th century, fixed-winged aviation has shown itself to be a powerful enabler of business, trade, tourism, and economic development. Early flights illustrated many of the ways aviation still impacts economic life today. The first airmail flight took off from Allahabad, India² in 1911. Such services quickly expanded, first within countries and later internationally and across oceans, providing an early demonstration of aviation's power to foster commerce by linking markets and operations over vast distances.

Three years later, the first regularly scheduled passenger route was launched between the cities of Tampa and St. Petersburg in Florida, United States. A trip that previously took hours, now took only 20 minutes.³ In 1919, the first scheduled international passenger flight took off, flying from London to Paris,⁴ launching the global aviation industry.

Economic enabler

Today, aviation is well understood as a central pillar of modern commerce and a vital contributor to economic growth. Aviation supported 3.9% of global GDP and 86.5 million jobs in 2023, with a US\$4.1 trillion direct, indirect, induced and tourism impact.⁵ In 2023, the value of air cargo was US\$8 trillion and accounted for 33% of world trade by value (just 1% by volume).

In the Middle East, with its central geographic position, deepening integration into the global economy, government focus on the sector, and extensive tourism assets, aviation's impact on GDP is even higher than for the world as a whole. In 2023, aviation contributed 4.3% to Middle East GDP, or US\$290 billion, and supported 4 million jobs.

The region's aviation sector is punching above its weight in other areas as well. Two of the top ten busiest airports for international passenger traffic are in the Middle East, with Dubai in first place and Doha in tenth place. Even considering overall airport passenger traffic, both domestic and international, Dubai is second globally. Meanwhile, Doha is 8th globally in terms of cargo traffic.⁶

Middle East airlines also contribute to the regional economy through their own profitability. In 2024, the International Air Transport Association (IATA) reported⁷ that Middle East airlines collectively achieved a net profit of US\$6.1 billion, with an 8.9% profit margin and the highest per-passenger net profit of any region (US\$28.50). That's nearly triple the next highest region's per-passenger net profit (US\$10.1 in North America). The Middle East number is driven, in part, by the large share of widebody traffic flown by these airlines.

Given that most airlines in the region are closely connected to governments, those profits are likely to flow into national economies.

¹ As opposed to lighter-than-air dirigibles

² <https://postalmuseum.si.edu/collections/object-spot-light/worlds-first-official-air-mail-by-airplane-india-1911>

³ <https://www.iata.org/en/about/history/flying-100-years/firstairline-story/>

⁴ <https://simpleflying.com/first-international-passenger-flight-history/>

⁵ Unless otherwise noted, all aviation economic impact data comes from the 2024 and 2017 "Aviation Benefits Beyond Borders", published by the Air Transport Action Group. Most GDP and jobs impact data are for calendar year 2023 and 2016, respectively

⁶ <https://aci.aero/2025/04/14/the-busiest-air-ports-in-the-world-defy-global-uncertainty-and-hold-top-rankings/>

⁷ "Global Outlook for Air Transport – Protectionism on the rise."

Advanced technologies

Aviation is a highly specialized, advanced technology industry. It is built upon some of the most complex, precision manufactured systems, components and parts. Only a handful of companies manufacture the industry's airframes, engines and avionics. From airport operations and air traffic control to the maintenance, repair and overhaul (MRO) of aircraft and engines, the industry requires advanced equipment, software and supply chains. Personnel working across the entire industry are often among the most skilled and highly trained in their fields.

Tremendous tourism

Aviation is essential for tourism, one of the most important contributors to service-sector GDP. Fifty-nine percent of global tourism is facilitated by air travel. In 2022, global tourism accounted for 7.6% of all economic activity on Earth and 9% of total employment.⁸ By 2032, tourism is set to take an even larger share: 11.6% of GDP and 11.8% of employment. Countries in the region understand this well.

Social benefits

Beyond pure economics, air connectivity provides social benefits as well. An Airports Council International report looking at air connectivity in Europe found that every 10% increase in direct air connectivity is correlated with a 14% reduction in poverty, a 9% improvement in education access, and an 8.5% increase in investment in research and development.⁹



Source: Stock image-FREEPIK

Aviation's impact on UN Sustainable Development Goals

The industry's social impact is apparent when assessed against the United Nations Sustainable Development Goals. Building on an International Civil Aviation Organization (ICAO) discussion,¹⁰ key impacts include:

Human Development

Aviation and air connectivity play an important role in addressing a number of human development-related priorities. Aviation enables the rapid and reliable delivery of food, and many other goods necessary for families and businesses.

Healthcare also benefits greatly from access to medicine and vaccines, medical equipment and devices, and clinicians across long distances.

When disaster strikes, conflicts develop, or other emergencies arise, air connectivity plays a crucial role in supporting humanitarian relief through the United Nations Humanitarian Air Service (UNHAS), the World Food Program (WFP), and other charities.



⁸ <https://www.weforum.org/stories/2024/01/travel-tourism-role-future-global-prosperity/>

⁹ "New study shows airports & air connectivity power 5% of European GDP - also supporting quality education, gender equality, R&D and well-being", Air Council International, October 2024

¹⁰ <https://unitingaviation.com/news/general-interest/what-contributions-does-air-transport-make-to-the-un-sustainable-development-goals/>

Economics and innovation

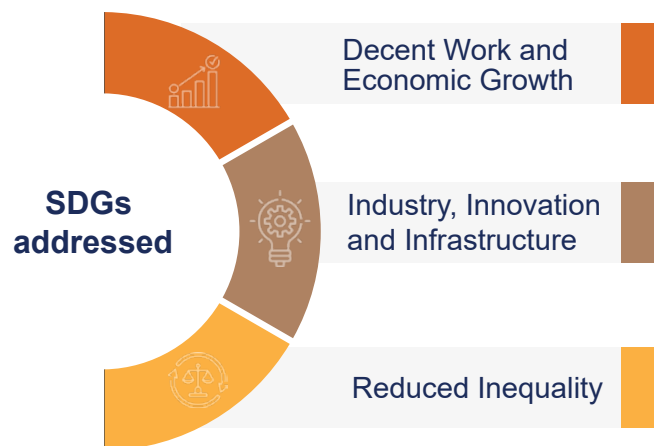
Aviation supports economic development that drives down inequality by facilitating trade links and providing faster access to human expertise, raw materials, equipment, electronics, and other goods and services, even to people in remote communities.

A study by the OECD observes that “air connectivity is an asset improving the global competitiveness of cities, regions and countries. Connectivity growth decreases travel costs for consumers and businesses and facilitates global contacts and trade.” The study also finds air connectivity fosters trade specialization.¹¹ These trade links improve access to goods and services, thereby helping to reduce inequality among individuals and countries.

The industry itself fuels construction of significant infrastructure – from airport buildings to runways to MRO facilities.

As this white paper demonstrates, the aviation industry’s contribution to GDP and job creation is substantial. Every day, aviation transports US\$21.9 billion worth of goods. The contribution to economic growth is even higher in the Middle East, accounting for 4.3% of GDP and one in every 20 jobs.

Aviation also drives high-value, high-impact innovation. The industry is focused on safety and quality through some of the world’s most advanced and most sophisticated technologies, equipment and systems. This fosters massive, industry-wide investments in R&D that bolster advancements in areas such as material sciences, additive manufacturing, and multiple engineering disciplines.



Sustainability

The global civilian aviation industry is committed to achieving net-zero by 2050. Many technologies and approaches will help achieve this goal, including development and adoption of sustainable aviation fuels (SAF), which reduce CO₂ emissions by 80% over their lifecycle, compared with fossil fuels. Engines also are being certified to run on approved SAF blends, including all GE Aerospace civilian and defense jet engines. Other technologies include hybrid-electric engines, and breakthrough engine design improvements to lower fuel consumption.

As noted in this white paper, aviation-related infrastructure can play a major role in a community’s economy, creating jobs and markets for local businesses, while also helping urban and rural connectivity by integrating into community transportation links.



¹¹ https://www.oecd.org/en/publications/influencing-air-connectivity-outcomes_997d4a23-en.html

Public recognition of aviation's role

The flying public understands the vital contributions of aviation. An IATA poll¹² released in June 2025 shows that not only do 90% of flyers agree that air travel is a necessity for modern life, nine out of ten say that air connectivity is “critical” to the economy. In fact, 89% say air travel has a positive impact on societies, with four in five saying that the global air transport network is a key contributor to UN Sustainable Development Goals.



Source: GE Aerospace

Defining the impact

The 2024 Aviation Benefits Beyond Borders report defines the direct, indirect, induced and tourism impacts on the economy as follows: Direct impact includes the activities of airlines and airports; maintenance, repair and overhaul operations; passenger-related in-airport services; air traffic control, and ground handling. Indirect impact includes the supply chains supporting the above-mentioned operations, including aircraft and engine parts, fuel supply, construction (e.g., airports), and professional services. Induced impact includes all the spending in the economy on things like housing, education, food and leisure by those working directly or indirectly in the aviation sector. Tourism impact represents all the spending by tourists who reach their destination by air travel (58% of all global tourism).¹³



Source: GE Aerospace

¹² <https://www.iata.org/en/pressroom/2025-releases/2025-06-02-01/>

¹³ 2024 Aviation Benefits Beyond Borders", published by the Air Transport Action Group

National Visions and the Role of Aviation

For countries across the Middle East, and particularly Gulf states such as Saudi Arabia, Qatar and the UAE, effective economic development is crucial for dealing with changing demographic and macroeconomic trends.

On the one hand, young and growing populations mean governments need to create meaningful employment for the thousands of people entering the workforce. On the other hand, hydrocarbon exporters recognize that it is not sustainable to rely on oil and gas revenues – both because reserves are running out for some countries, and global demand is likely to fall in coming decades with the rise of renewable energy and electrification.

“Saudi Arabia and other countries in the region need to create a great number of jobs to ensure people have employment,” said Dr. Dan Wong, an aviation industry consultant and recently retired Associate Professor and Aviation Program Leader at Prince Sultan University in Riyadh.

“Aviation is a major source for jobs, while also supporting tourism, which has been shown to be one of the largest generators of income, and jobs, for countries around the world,” he said.

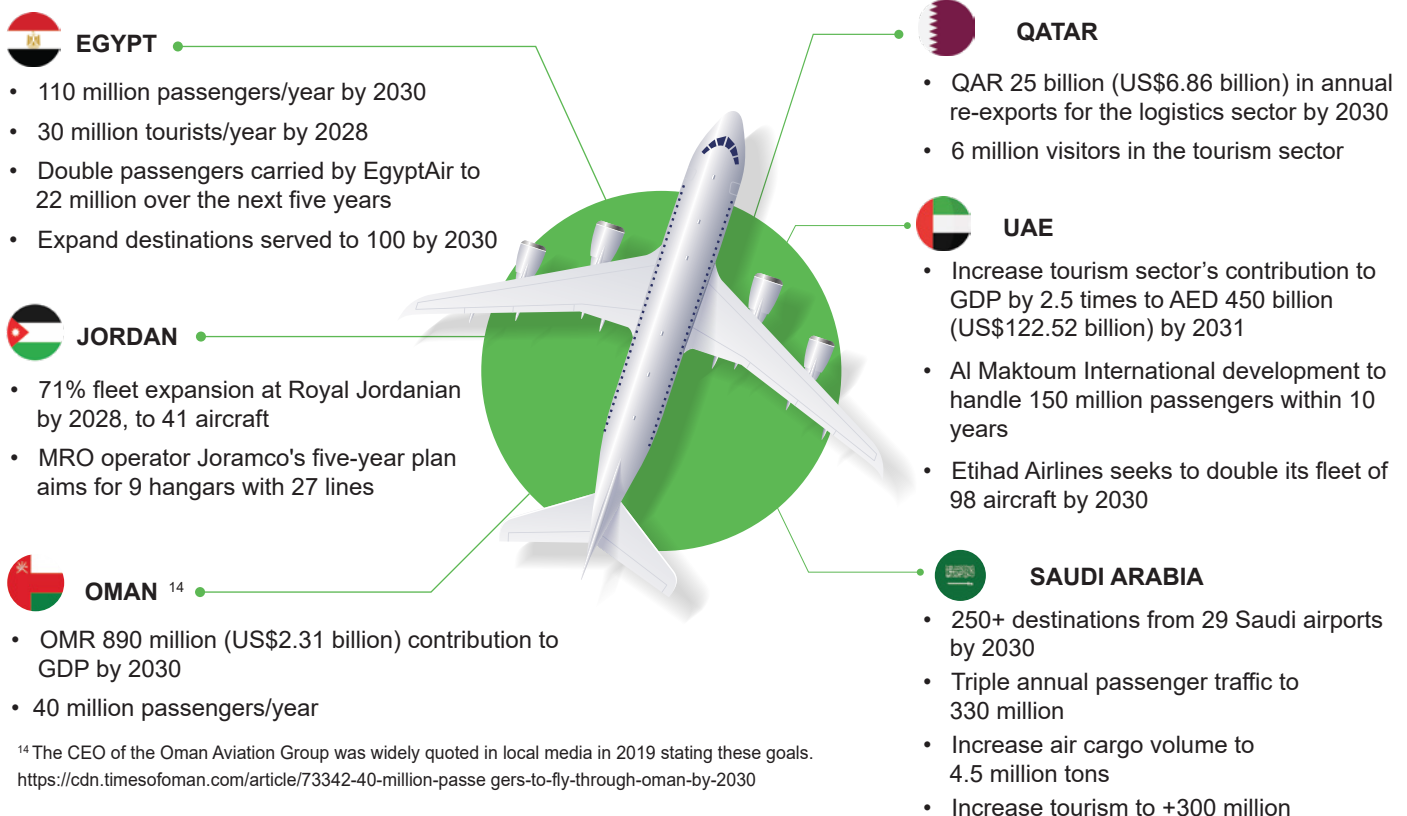


Source: Stock image-FREEPIK

The industry also is central to building logistics and manufacturing sectors – key priorities for countries in the region looking to diversify and expand their economies, Dr. Wong said. “Aviation and the connectivity it provides are essential to develop economies and move them forward.”

As a result, countries across the Middle East have identified aviation as a pillar of their economic development goals, whether embedded in national vision documents, such as Egypt Vision 2030, or in industry-focused policies, such as the Saudi Aviation Strategy.

National goals



EGYPT

Egypt Vision 2030 identifies civil aviation as “contributing substantially to international trade through a network of domestic and international airports,” and as instrumental to a “well-developed” infrastructure, one of the vision’s six strategic goals.¹⁵ EgyptAir will play a central role, with its strategy to double passengers carried to 22 million over the next five years and to grow its fleet from 65 aircraft to 125,¹⁶ in order to expand destinations served to 100 by 2030.¹⁷ The government-owned airline is being supported in this goal with an EGP 20 billion (US\$400 million) debt facility provided from the Ministry of Finance.¹⁸ Low-cost carrier Air Cairo, which is majority-owned by EgyptAir, also is seeking to grow its fleet, from 28 to 72 by early in the next decade.¹⁹

The Ministry of Civil Aviation seeks to privatize airport operations, as part of a national plan to for the nation’s 23 airports to welcome 110 million passengers annually in 2030 and attract 30 million tourists a year by 2028.²⁰



Source: Egyptair - Wikipedia

JORDAN

Jordan does not have an aviation-focused strategy, but the aviation sector will contribute to its Economic Modernization Vision, specifically in the “Destination Jordan” section focused on tourism.²¹ Royal Jordanian, the flag carrier of Jordan, plans to expand its fleet from 24 aircraft to 41 by 2028, as part of an effort to expand its role as a transit carrier.²²

Additionally, Joramco, the region’s largest independent engine and airframe MRO shop²³ continues to expand its operations. With five hangars at the end of 2024²⁴ and a sixth set to open in 2025,²⁵ it has a five-year plan to operate nine hangars, giving it 27 lines plus paint facilities.²⁶

The company is owned by Dubai government-owned DAE (80%) and Royal Jordanian (20%).²⁷



Source: Royal Jordanian - Wikipedia

OMAN

Oman’s Civil Aviation Authority announced the National Aviation Strategy 2030²⁸ in 2020. Three years later, it launched a roadmap for the National Aviation Strategy 2040, which will build on the prior strategy and ensure alignment with Oman Vision 2040.

Priorities of the 2030 strategy include strengthening the Omani economy, workforce capacity building, deepening capabilities of Omani companies in the sector, and encouraging digitalization. An additional component is development of Muscat Airport City, which will encompass a new terminal, a logistics zone, a free zone, and an aviation support services zone. The National Aviation Strategy 2030 didn’t include specific targets, but a senior Omani aviation official

was widely quoted in 2019 saying that the country had a goal of seeing the aviation sector contribute OMR 890 million (US\$2.3 billion) to GDP by 2030 and welcome 40 million passengers a year by 2030.²⁹



Source: Oman Air - Wikipedia

¹⁵ <https://cdn.timesofoman.com/article/73342-40-million-passengers-to-fly-through-oman-by-2030>

¹⁶ <https://aviationweek.com/air-transport/airlines-lessons/egyptair-chief-talks-growth-ambitions-challenges>

¹⁷ <https://egyptian-gazette.com/skyward/egyptair-to-strengthen-fleet-expand-network-in-2025/>

¹⁸ <https://www.zawya.com/en/business/aviation/egyptair-secures-facility-from-finance-ministry-to-expand-fleet-b500fg3d>

¹⁹ <https://aviationweek.com/mro/aircraft-propulsion/air-cairo-signs-st-engineering-heavy-leap-maintenance>

²⁰ <https://english.ahram.org.eg/NewsContent/1/1238/537912/Egypt/Tourism/Passenger-traffic-increased-by--at-Egyptian-airpor.aspx>

²¹ <https://www.jordanvision.jo/en/media/view?id=3>

²² <https://www.businesswire.com/news/home/20250528924488/en/Avolon-Delivers-Royal-Jordanians-First-Airbus-A320neo>

²³ <https://www.joramco.com.jo/media/events-news/ArabianAerospaceAnotherRecordYearforJoramco>

²⁴ <https://dubaiaerospace.com/wp-content/uploads/2025/02/Investor-presentation-for-the-year-ended-31-Dec-2024-vF.pdf>

²⁵ <https://dubaiaerospace.com/wp-content/uploads/2025/02/DAE-FY-2024-Financial-Statement.pdf>

²⁶ <https://www.joramco.com.jo/media/events-news/ArabianAerospaceAnotherRecordYearforJoramco>

²⁷ <https://dubaiaerospace.com/wp-content/uploads/2025/02/DAE-FY-2024-Financial-Statement.pdf>

²⁸ <https://omannews.gov.om/topics/en/79/show/2994>

²⁹ The CEO of the Oman Aviation Group was widely quoted in local media in 2019 stating these goals.

<https://cdn.timesofoman.com/article/73342-40-million-passengers-to-fly-through-oman-by-2030>

QATAR

The aviation sector in Qatar has been identified as a key enabler of the Third Qatar National Development Strategy 2024-2030,³⁰ specifically by expanding its air transport activities and positioning its logistics cluster as a specialized e-commerce distribution hub. Goals for 2030 include achieving up to QAR 25 billion (US\$6.83 billion) in re-exports for the logistics sector and 6 million visitors in the tourism sector.

These efforts are supported by sustained growth of Qatar Airways, which already boasts one of the largest freighters fleets among commercial airlines and is the launch customer for the Boeing 777-8 Freighter.³¹

Hamad International Airport also is expanding to meet these goals. In 2025 it opened two new concourses,

bringing passenger capacity to 65 million,³² providing room for growth, given the 52.7 million who passed through the facility in 2024. In 2024,³³ it handled 2.6 million tons of cargo,³⁴ with ambitions to expand capacity further.



Source: Qatar Airways - Wikipedia

SAUDI ARABIA

Saudi Arabia's aviation sector is guided by Saudi Vision 2030, the Saudi National Transport and Logistics Strategy, and the Saudi Aviation Strategy (SAS). The SAS seeks to achieve the following by 2030:

- Extend connectivity to more than 250 destinations from 29 Saudi airports
- Triple annual passenger traffic to 330 million
- Increase air cargo volume to 4.5 million tons
- Increase tourism to more than 300 million

Its four main airlines, including newcomer Riyadh Air, are all expanding fleets and routes in support of these goals. As part of the SAS, the General Authority of Civil Aviation is working to privatize the country's 29 airports to enhance operations and performance.

Saudi Arabia also is looking to the defense sector to drive economic development. General Authority of Military Industries (GAMI) is leading an effort to localize half the Kingdom's defense spending by 2030, including MRO in the aviation sector.



Source: Saudi Arabia Airlines- Wikipedia

UNITED ARAB EMIRATES

The UAE's General Civil Aviation Authority Strategy (2023-26)³⁵ takes a high-level approach, with focus areas including: implementation of supportive regulation, digitalization, workforce training and talent acquisition, and enhanced air navigation capabilities – all with a focus on ensuring the country holds a prominent global position in the sector.

While no national targets have been set, aviation plays a role in other strategies, including the UAE Tourism Strategy, which seeks, among other things, to increase the sector's GDP contribution by 2.5 times from AED 180 billion in 2019 to AED 450 billion by 2031.³⁶ The aviation MRO sector is expected to contribute to the country's Operation 300bn industrial development plan.³⁷



Source: Stock image-SHUTTERSTOCK

³⁰ <https://cm.gov.qa/en/Documents/Third%20Qatar%20National%20Development%20Strategy%202024-2030.pdf>

³¹ <https://www.qrcargo.com/s/company/press-releases/a0zP1000009mYJyIAM/qatar-airways-cargo-named-launch-customer-of-mammoth-freighters-777200lrmf>

³² <https://www.gco.gov.qa/en/media-centre/top-news/hamad-international-airport-completes-expansion-project/>

³³ <https://dohahamadairport.com/press-releases/news/hamad-international-airport-reports-record-breaking-year-2024>

³⁴ <https://dohahamadairport.com/press-releases/news/hamad-international-airport-reports-record-breaking-year-2024>

³⁵ <https://www.gcaa.gov.ae/en/about-gcaa/gcaa-strategy-2023-2026>

³⁶ <https://www.rolandberger.com/en/Insights/Publications/The-UAE-Tourism-Strategy-2031.html>

³⁷ <https://www.sanad.ae/press-releases/sanad-ge-aerospace-and-safran-aircraft-engines-sign-a-landmark-agreement/>

As well, individual airports and airlines have set ambitious growth goals. In Dubai, Al Maktoum International airport's phase II expansion seeks to build terminal and airport capacity to accommodate 150 million passengers over the next 10 years, with an ultimate goal of 260-million passenger capacity and 12-million-ton cargo capacity.³⁸ For comparison, in 2024, Dubai Airports, including Al Maktoum and Dubai International, handled 93.4 million passenger, with 92.3 million passing through Dubai International.³⁹

In 2024, Zayed International Airport in Abu Dhabi handled 29.4 million.⁴⁰ In early 2025, the airport opened

its new terminal which has capacity for 45 million passengers⁴¹ in support of Etihad Airlines' goal of doubling its fleet of 98 aircraft⁴² by 2030.⁴³

The UAE also is focused on building its domestic defense sector and the sophisticated manufacturing and supply chains that this requires. This is being achieved in part through the EDGE Group, an advanced technology and defense conglomerate with subsidiaries operating across all military domains, including aviation airframe and engine MRO.⁴⁴ Other contributors include Sanad Aerotech, which provides both defense and civilian engine MRO services.

Economic Impact⁴⁵

The focus on aviation within national development strategies is well founded, as the economic impact data shows. On a regional level, there has been tremendous growth in the sector's dollar-value contribution to GDP. Between 2016 and 2023, for example, the total direct and indirect GDP contribution from aviation across the Middle East more than doubled, from 130 billion in 2016 to US\$290 billion in 2023. This was driven by a near doubling of direct aviation GDP growth and a more than three-fold increase in indirect GDP growth.

The power of aviation to create jobs was equally dramatic in the region. Total aviation-impacted jobs grew by two-thirds, from 2.4 million jobs to 4 million. As a result, the share of all direct and indirect jobs in the economy attributed to aviation rose from 3.3% to 5%. As shown below, this growth was driven primarily by indirect, induced and tourism jobs.

While in the sections below we break down the direct and indirect impact of aviation by country, it's worth looking at the combined direct and indirect impact (including tourism) on a country level.

In the UAE, total jobs grew by 27.4% to 990,000 and the contribution to GDP nearly doubled to 92 billion or 18.2% of national GDP. In fact, of Middle East countries with national data in the survey, the UAE aviation sector's contribution to GDP was more than twice that of the next highest country, Saudi Arabia, and five times the global average of 3.9%. The UAE also had the highest number of people directly employed in the aviation sector, accounting for one-third of all such jobs in the region.

Saudi Arabia, however, not only saw the Middle East's largest percentage jump in all aviation-related jobs between 2016 and 2023, rising 130%, it also registered the largest absolute number of jobs, at 1.4 million. On the GDP side, the all-aviation contribution increased more than 150% to US\$91 billion, accounting for 8.6% of total GDP in 2023.

Egypt saw its all-aviation GDP grow by the largest amount in the region, rising 200% to US\$21 billion, or 5.3% of GDP. It also saw a massive increase in all-aviation jobs, rising 132% to 1.4 million. Iraq had the next largest GDP contribution from all aviation related activity, totaling US\$4.9 billion, or 1.9% of GDP, with an all-aviation job total of 260,000. In Oman, all-aviation contribution to GDP was US\$1.8 billion, approximately 1.7% of GDP, while all-aviation jobs totaled 42,000.



Source: Stock image-FREEPIK

³⁸ <https://media.dubaiairports.ae/dubai-airports-main-fact-file/>

³⁹ <https://media.dubaiairports.ae/dubai-airports-main-fact-file/>

⁴⁰ <https://www.adairports.ae/en/PressRelease/2025/02/Abu-Dhabi-Airports-welcomes-recording-breaking-29m-passengers-in-2024>

⁴¹ <https://www.aviationbusinessme.com/airports/zayed-international-airport-terminala>

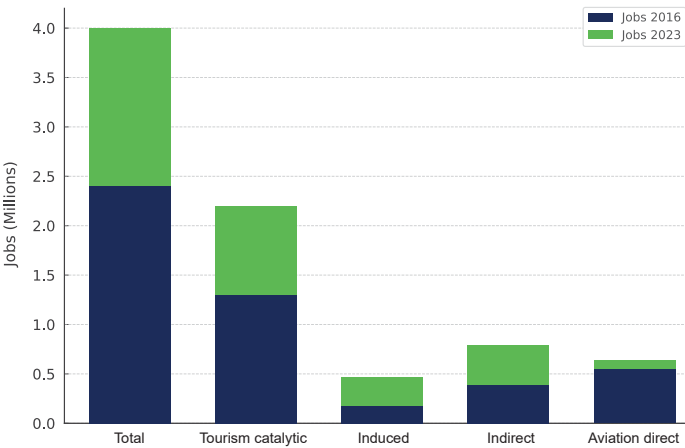
⁴² <https://www.thenationalnews.com/business/aviation/2025/05/21/etihad-announces-record-q1-results-with-30-profit-boost/>

⁴³ <https://www.etihad.com/en-ae/news/etihad-airways-continues-fleet-expansion-with-boeing-agreement>

⁴⁴ <https://www.ammroc.ae/services>

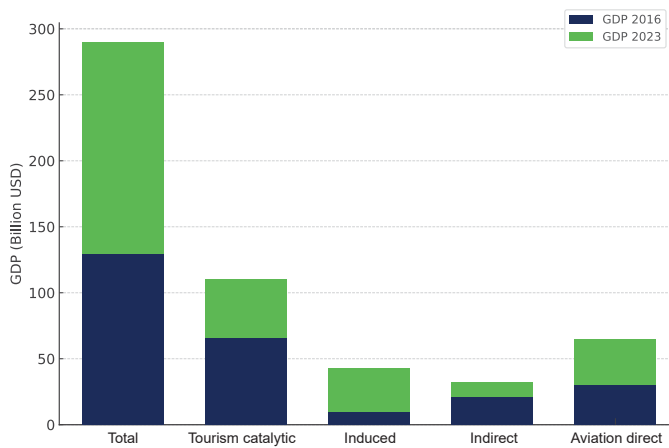
⁴⁵ Unless otherwise noted, all aviation economic impact data comes from the 2017 and 2024 "Aviation Benefits Beyond Borders" reports, published by the Air Transport Action Group.

Middle East - Jobs Growth



Jobs % change	
Total	67
Tourism catalytic	69
Induced	157
Indirect	103
Aviation direct	4.7

Middle East - GDP Growth



GDP % change	
Total	123
Tourism catalytic	67
Induced	339
Indirect	264
Aviation direct	94.5

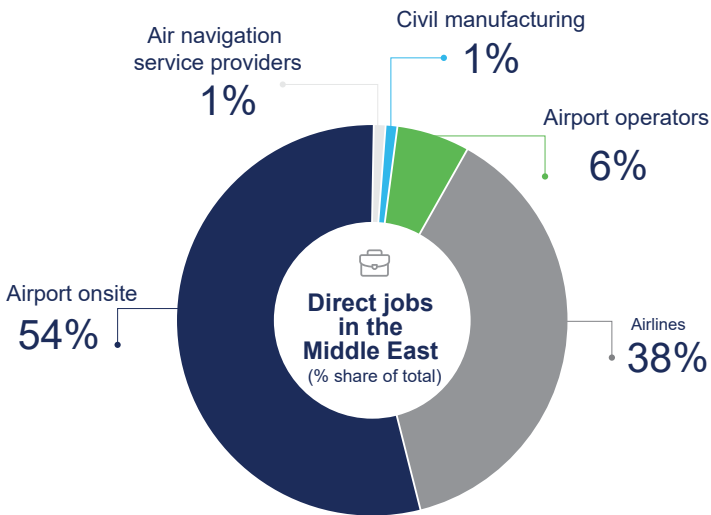
Direct impact

For the Middle East, the direct GDP contribution from aviation nearly doubled between 2016 and 2023, from US\$32.9 billion to US\$64 billion, while direct aviation jobs rose from 553,700 to 580,000 over the period, a 4.7% increase.

On a country level for those with available comparable data such as the UAE, Saudi Arabia and Egypt, this growth in aviation’s share of economic activity was clear. It was most apparent regarding GDP, especially in the UAE, which witnessed the biggest change between 2016 and 2023. The direct GDP contribution more than tripled to US\$26.6 billion – representing a contribution to total national GDP of more than 5%. This was by far the largest country-level GDP figure and reflected the relative maturity of aviation in the country. Saudi Arabia registered US\$14.3 billion in direct aviation-fueled economic activity, which was a little more than 1% of total GDP. In Egypt, GDP contribution was US\$3.5 billion, nearly 1% of GDP, while in Oman it was US\$629.5 million, or 0.6% of GDP. Iraq’s direct GDP impact was US\$292 million or 0.1% of GDP.

Direct job growth in the UAE was 15% during the period, bringing direct employment in the sector to 207,000 workers, nearly 50% more direct aviation jobs

than in the Kingdom. Both the growth rate and the absolute number in the UAE were the highest in the region, with Saudi direct job growth at 2.2% to 141,000 workers. In Egypt, the number of direct workers in 2023 was 56,000, and in both Iraq and Oman, it was 18,000.



Closer look: MRO

A leading component of the direct economic impact is MRO operations, an ideal example of the high-value add provided by the aviation industry. Servicing and maintaining engines, airframes, avionics and more require highly skilled workers, advanced equipment and a sophisticated local or regional supply chain.

Modor Intelligence forecasts⁴⁶ that the Middle East aircraft MRO market size will reach US\$10.04 billion in 2025, and US\$12.86 billion by 2030, representing a CAGR of just over 5%.

This is driven by major projects, including Saudia Technic's new 1 million-square-meter MRO Village, which will feature a state-of-the-art jet propulsion center, as well as a new engine test cell.⁴⁷ In Dubai, Emirates is investing US\$950 million in its own state-of-the-art MRO facility that will create "thousands of skilled technical jobs" and handle everything from routine aircraft checks, light maintenance and paint jobs, to heavy airframe maintenance, engine

maintenance and testing, and aircraft conversions.⁴⁸ Flydubai is spending US\$190 million on a new facility. Already it employs 455 skilled engineers working in Line Maintenance, Technical Services, Materials and Workshops, with another 230 joining in time for the new facility's inauguration in 2026.⁴⁹

OEMs also are investing in expanded facilities and hiring skilled staff. GE Aerospace is making a US\$10 million investment in its existing On Wing Support facilities in Doha and Dubai that will see headcount increase by 30% and expand its operational capacity.

Modor notes that many of these regional MRO facilities are enhancing their operations by integrating advanced software and systems, utilizing artificial intelligence and Internet of Things data collection and connectivity, to enable solutions such as predictive maintenance.



Source: GE Aerospace

⁴⁶ "Middle East Aircraft MRO Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030)," Modor Intelligence

⁴⁷ <https://www.pif.gov.sa/en/news-and-insights/press-releases/2023/pif-invests-in-saudia-technic-to-establish-a-national-mro-champion-in-the-aviation-sector/>

⁴⁸ <https://www.emirates.com/media-centre/emirates-to-build-new-us-950-million-engineering-facility/>

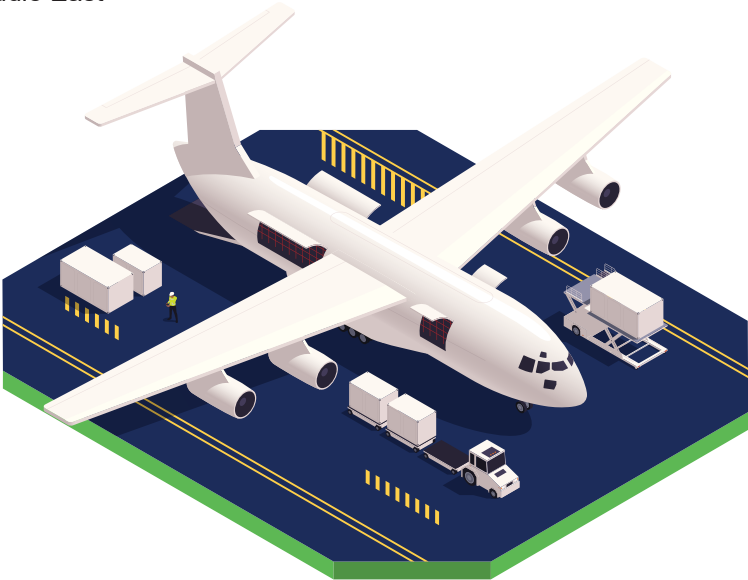
⁴⁹ <https://news.flydubai.com/flydubai-announces-plans-for-usd-190-million-mro-facility-in-dubai-south#>

Closer look: Air cargo

Air cargo is another important component of aviation’s direct economic impact. In the Middle East, 6.6 million tons of cargo passed through regional airports in 2023. The UAE saw 3.1 million tons of cargo carried through its airports; Qatar⁵⁰ saw 2.4 million tons of cargo in 2023/24,⁵¹ while Saudi Arabia recorded 713,600 tons, Egypt registered 338,600 tons, Oman, 169,500 tons, and Iraq, 17,100 tons.

In 2023, the top five carriers included two from the Middle East (scheduled cargo ton kilometers flown): ⁵²

Federal Express	\$	17.9 billion
Qatar Airways	\$	14.4 billion
United Parcel Service	\$	14.2 billion
Emirates	\$	10.6 billion
Atlas Air	\$	8.9 billion



⁵⁰ Only accounts for Qatar Airways cargo traffic

⁵¹ Qatar Airways Group Annual Report: 2023/24

⁵² <https://www.aircargonews.net/data-hub/annual-reports/top-25-cargo-carriers> (citing IATA 2023 World Air Transport Statistics (WATS))



Source: Stock image-FREEPIK

Indirect impact

For the Middle East, the total indirect, induced and tourism-catalytic GDP contribution grew by 136% from US\$96.8 billion to US\$229 billion, driven in part by a tripling of the economic contribution from indirect (i.e., supply chain) spending and a four-fold increase in the impact of induced spending (i.e., what employees in direct, indirect and tourism-catalytic jobs spend in the broader economy).

On the jobs front regionally, indirect, induced and tourism-catalytic jobs, jumped 84.7%, from 1.87 million to 3.46 million, powered by a doubling of jobs in indirect sectors and a 70% increase in tourism-catalytic jobs.

In the UAE, indirect GDP impact and induced GDP impact both quadrupled: to US\$28 billion and US\$16 billion, respectively.

Saudi Arabia saw the highest jump in indirect GDP impact, increasing 179% to US\$17 billion. Growth in the induced GDP impact also was in triple digits, more

than doubling from US\$2.5 billion to US\$6 billion, a 140% boost. The impact on jobs was more modest, in low single digits. Tourism-catalytic GDP growth over the period also was significant, up 227% to US\$53 billion, while tourism-catalytic job growth was up 273% to 1.1 million jobs.

Egypt also saw a major boost to tourism-catalytic numbers: its impact on GDP was up 266% to US\$15 billion, while impact on jobs quadrupled to 1.2 million. Indirect GDP impact increased 33.3% to US\$1.6 billion. Indirect jobs impact stood at 89,000. In Iraq, the indirect GDP contribution was US\$2 billion, compared with the US\$1.1 billion in induced GDP contribution. Jobs included 90,000 indirect jobs and 52,000 induced jobs. In Oman, the tourism-catalytic contribution to GDP was US\$710 million, versus US\$460.5 million for indirect and induced GDP contribution combined. On the jobs front, tourism-catalytic job creation was 18,000, compared with 7,000 jobs combined from indirect and induced categories.

Closer look: Air connectivity

Air connectivity increased for all countries with comparable data, but most significantly in Egypt, which saw airlines serving the country nearly doubling from 68 to 116. It also saw its Connectivity ranking surge into the global top 10, from 32nd place to seventh. The UAE continued to lead the region and improved its position from sixth to fourth place. Saudi Arabia entered the top 20, sitting at 14th place in 2023.



Air Connectivity Ranking

							
		International Airports 2016	International Airports 2023	Connectivity ranking 2016	Connectivity ranking 2023	Operating airlines 2016	Operating airlines 2023
	Egypt	159	191	32	7	68	116
	UAE	281	304	6	4	106	126
	KSA	149	193	39	14	72	86
	Iraq	n/a	45	n/a	71	n/a	34
	Oman	n/a	83	n/a	n/a	n/a	38

Sources: 2024 Aviation Business Benefits Beyond Borders; "The Value of Air Transport to ..." for each country; IATA, 2024 and 2027

The significant improvement in Saudi Arabia's connectivity ranking was driven in part by the Saudi Air Connectivity Program. Launched in 2021,⁵³ it reaches out to international and Saudi-based airlines seeking to add flights to new destination, said Dr. Wong. The program has so far helped add more than 60 new routes,⁵⁴ including LOT Polish Airline flights between the two countries and Lufthansa's new Riyadh-Munich route.

However, encouraging foreign airlines to add flights into the Kingdom isn't enough to meet their air passenger targets, Dr. Wong said. When building capacity, "You can't be at the mercy of foreign airlines. Saudi Arabia has a large enough population, and forecast tourism demand, that they should not have to

depend upon others when they can do it themselves." This becomes urgent with special events, such as NEOM set to host the 2029 Asian Winter games. "Without aviation connectivity, how are they going to get all those people to the games? They can't," Dr. Wong said.

Two examples of how the Kingdom is taking connectivity into its own hands are the upcoming launch of Riyadh Air and the recently awarded bid for a third low-cost carrier in the country that will be based in Dammam. Other examples include the fleet and route expansions of Saudia, flynas and flyadeal. "The demand from Saudi Arabia will be significant enough as the pie enlarges that no one loses," Dr. Wong said.



Source: Stock image-FREEPIK

Closer look: : Airport supply chain

Building, expanding and upgrading airports is not only a matter of the civil construction of runways and terminals. The activities and operations happening within the airport perimeter require sophisticated equipment, complex civil construction, and advanced IT infrastructure. The supply chain to deliver this represents high value add regarding physical components, software and the skilled workforce to install and operate this infrastructure.

The airport supply chain also requires enormous non-specialized inputs that are fully supplied by Middle East markets and, therefore, directly contribute to local economies. These include earthworks; civil construction; mechanical, electrical and plumbing (MEP); and landside roadway infrastructure. The region's mature construction industry means virtually all non-specialized aspects of airport construction can be handled and supplied by locally based contractors and MEP experts, explained Abdalla Ahmed,⁵⁵ Associate Director - Aviation Program Management with MACE, a global aviation and construction consultancy.

Those specialized elements of the supply chain - everything from the control tower and aircraft navigation equipment to baggage handling systems

and passport control – also support local supply chains, Mr. Ahmed said. For example, a baggage handling system has large civil works components of steel infrastructure that can be developed by local contractors.

On the personnel side, these systems require advanced technical skills for construction, installation, commissioning, repair and maintenance. Most of that expertise these days, Mr. Ahmed said, is located in country or within the Middle East. "While even a decade ago, OEMs would have flown in these experts from Europe or Asia, today, teams skilled in maintaining a luggage, security screening, or IT system are based in Saudi Arabia, Qatar or the UAE, or the OEM has a partnership with a local company that now offers those competencies."

“ While even a decade ago, OEMs would have flown in experts from Europe or Asia, today, teams skilled in maintaining a luggage, security screening, or IT system are based [in the region], or the OEM has a partnership with a local company that now offers those competencies. ”

Abdalla Ahmed,
Associate Director - Aviation Program
Management with MACE

⁵³ <https://www.acp.gov.sa/about-acp>

⁵⁴ <https://www.spa.gov.sa/en/N2184579>

⁵⁵ The views and opinions expressed by Abdalla Ahmed are solely his own and do not represent those of his employer, any affiliated individuals or groups, or any current projects with which he is involved.

Case Study: Saudi Arabia

The phenomenal development of the Saudi aviation sector exemplifies what can happen when government puts a strategic focus on the industry. What distinguishes the Kingdom's approach - and what makes it such an interesting case study - is not only that it is pulling all the levers of aviation sector development at the same time, but also that it is moving at a breakneck pace.

Many Middle Eastern countries have implemented most or some of the following elements that make up the Kingdom's multipronged approach: development of an aviation-specific strategy with targets, new airline launches, ambitious growth in carrier fleet size and routes, and taking airlines public. Other aspects include establishing or expanding ancillary services in areas such as maintenance, repair and overhaul (MRO) in both the civilian and military setting, upgrading and building airports, and establishing airport-adjacent free trade zones and aviation-focused industrial zones.

The government is investing heavily in these ambitions, including US\$800 billion for a series of massive tourism infrastructure projects over the next

decade.⁵⁶ The Saudi Aviation Strategy (SAS) itself is backed by US\$100 billion in investments by the government and private sector.

The current capacity of Saudi airports, at 120 million passengers, is targeted to expand to accommodate the 330 million SAS passenger target.⁵⁷ This will be supported by major expansions at existing airports and construction of new ones.



Source: Stock image-SHUTTERSTOCK

Key aspects of the Saudi approach include:

Workforce development

A key priority driven by Vision 2030 is the "localization of aviation jobs" initiative, which by the end of 2024 had achieved the milestone of more than 14,000 Saudi nationals directly employed in the sector, exceeding the 2025 target by nearly 25%.⁵⁸ They are working in areas such as airports, airlines, MRO and ground services. IATA has identified workforce training as a priority for



Source: GE Aerospace

the Kingdom, stating: "Ensuring a skilled workforce across all areas of aviation will enable the Kingdom to fulfill its potential as a regional and global aviation hub."⁵⁹ Arising from this, IATA has recently signed agreements with Saudi airlines, airports, and academic institutions to provide skills training for more than 1,000 aviation graduates and employees in areas such as airport development, safety, airline management and ground operations.⁶⁰

The National Industrial Development Center (NIDC), which is tasked with growing high-value industries such as aeronautics, chemicals and biotechnology, has identified workforce training and development as a key area for investment. This includes aerospace-related specialized manufacturing, as this sector will require a large cadre of highly qualified engineers, technicians and other specialized workers.

⁵⁶ "Saudi Arabia: Aviation sector a key growth target", Emirates NBD, August 2024

⁵⁷ <https://www.arabnews.com/node/2513651/business-economy>

⁵⁸ <https://www.gaca.gov.sa/News/28-April-2025>

⁵⁹ <https://www.iata.org/en/pressroom/2025-releases/2025-05-06-01/>

⁶⁰ <https://www.iata.org/en/pressroom/2025-releases/2025-05-06-02/>

Airline development

Airlines in the Kingdom are taking a range of steps to drive the sector forward. All four of the main carriers based in Saudi Arabia are expanding fleets at a rapid pace. All are fully or partially owned by the government. Saudia, flyadeal (a subsidiary of Saudia Group) and flynas (partially owned by the Public Investment Fund) are all making significant investments in fleet and route expansion. flynas has a firm purchase order with Airbus for 195 narrow-body aircraft and a separate Airbus aircraft purchase agreement for 30 widebody A330neo aircraft.⁶¹ Saudia signed a deal in 2024 to acquire 54 Airbus A321neo aircraft.⁶²

Saudia carried a record 35 million passengers to 100 destinations in 2024 with its current fleet of 147 aircraft. As part of its expansion, it plans to add 118 new aircraft in the coming years.⁶³

The Kingdom's newest airline is Riyadh Air. It has placed massive aircraft orders. Aiming to go from zero to more than 100 destinations by 2030, the airline's fleet will include 60 Airbus A321neo and 39 confirmed Boeing 787-9 Dreamliner aircraft and an option for 33 additional Dreamliners.⁶⁴ Once fully operational, it is expected to contribute US\$20 billion to non-oil GDP and create more than 200,000 direct and indirect jobs.⁶⁵

The Kingdom also is expanding its low-cost carriers (LCCs). In July 2025, the General Authority of Civil Aviation (GACA) announced that the Air Arabia Alliance had won the bid to launch an LCC based in Dammam. By 2030, the new airline aims to serve 24 domestic and 57 international destinations, operate a fleet of 45 aircraft, enhance air connectivity for the eastern region and create more than 2,400 direct jobs.⁶⁶

Airport investments

At the heart of airport development is the transfer of airport ownership from GACA to the Saudi Civil Aviation Holding Company (Matarat). Twenty-five airports were transferred to Matarat in 2022 as an intermediate step.⁷⁰ At the same time, the government has earmarked nearly US\$50 billion to airport development,⁷¹ including: expansion of King Abdulaziz International in Jeddah to 100 million passengers annually by 2035 (passenger traffic was 49.1 million in 2024⁷²), expansion of King Khaled International in Riyadh to handle 40 million passengers a year by 2038

Existing LCCs also continue to expand. Flyadeal, which is owned by Saudia Group, expects to triple the size of its business, aiming to serve more than 100 destinations with over 100 aircraft by 2030. In 2024, with a fleet of 36 aircraft, it placed an order for 51 Airbus A320neo narrow-body aircraft.⁶⁷ In April 2025, it placed an order for 10 Airbus A330neo widebody aircraft.⁶⁸

As part of the diverse actions being taken within the Saudi aviation sector, flynas recently completed its IPO, the first Saudi airline to publicly list its shares. Proceeds from the share sale will be used to fund fleet expansion over the next three years. The offering was massively oversubscribed,⁶⁹ reflecting investor confidence in the airline and broader Saudi aviation sector.



Source: Riyadh Air - Wikipedia

(passenger traffic was 37.6 million in 2024⁷³), and the US\$30 billion development of the King Salman International Airport in Riyadh, which is expected to launch by 2030 with an annual capacity of 120 million passengers, and set to handle 185 million by 2050.⁷⁴

New airports to serve new tourist flows also are on the cards, including the recently opened Red Sea International Airport that will facilitate travel to the luxury tourist developments in that region, and the future NEOM International Airport to serve the NEOM megaproject.

⁶¹ "International Offering Memorandum", flynas, May 2025

⁶² <https://www.saudia.com/pages/experience/about-us/corporate-communication/press-releases-and-news/press-releases/press-release-20052024>

⁶³ <https://www.globenewswire.com/news-release/2025/01/22/3013848/0/en/Saudia-Concludes-2024-with-Expanded-Global-Operations-Continuing-to-Connect-the-World-to-the-Kingdom.html>

⁶⁴ <https://www.riyadhair.com/en/our-story/fleet>

⁶⁵ <https://www.riyadhair.com/en/media-hub/hrh-crown-prince-announces-riyadh-air-new-national-carrier-t>

⁶⁶ <https://x.com/ksagaca/status/1946869540023152936>

⁶⁷ <https://www.zawya.com/en/press-release/companies-news/flyadeal-in-2024-year-of-ongoing-growth-and-milestones-e59fkjhp>

⁶⁸ <https://www.flyadeal.com/en/flyadeal/information/about-us/media-centre/flyadeal-announces-order-for-10-airbus-a330neos-saudia-group-s-low-cost-airline-targets-long-haul-flying-from-2027>

⁶⁹ <https://ent.news/2025/6/236.pdf>

⁷⁰ <https://www.spa.gov.sa/2328106>

⁷¹ <https://www.spa.gov.sa/N2100150>

⁷² <https://gaca.gov.sa/en/Reports-Categories/Air-Traffic-Reports/air-traffic-report-2024>

⁷³ <https://gaca.gov.sa/en/Reports-Categories/Air-Traffic-Reports/air-traffic-report-2024>

⁷⁴ "Saudi Arabia: Aviation sector a key growth target," Emirates NBD research, August 2024

Closer look: Local content

Airport construction, upgrades and maintenance represent an important mechanism for boosting local and regional economic activity and job creation. Virtually all airport contracts contain a local content requirement. Non-specialized airport components such as civil construction and mechanical, electrical and plumbing (MEP) have a higher local-content requirement. Specialized equipment, such as baggage conveyance and passenger security systems require a significantly lower share of in-country value because the high-value components cannot be manufactured in country.



Source: Stock image-FREEPIK

For example, as Mr. Ahmed of MACE explained, baggage conveyance systems require extensive structural steel systems that can be delivered by local suppliers. However, the specialized equipment, such as conveyor belts, sensors or ICT equipment, is sourced from original equipment manufacturers overseas.

On the jobs side of the equation, much of the expertise to install, upgrade and maintain equipment and systems used in airports is available locally and regionally, he said. This is a big change from the mid-2000s. The significant increase in airport development in the Middle East has encouraged many OEMs to establish partnerships with local companies and to base experts in the region for regional deployment.

These are skilled roles, reflecting significant technology transfer into the region, and serve as the “muscles of the global manufacturer in-country,” as Mr. Ahmed put it, such that now, a local partner company has the in-house capacity to perform much of the installation, commissioning and ongoing support – even for these advanced, imported systems.

Free zones and MRO

As outlined in the SAS, aviation-linked free zones and industrial clusters are a major element of the Kingdom’s aviation sector development. This follows the well-documented ability of industrial zones and aviation-related industries to drive economic growth. From Incheon in South Korea to Schiphol in The Netherlands, Dr. Wong noted, “aerotropolises, rising up alongside airports, have become economic centers for their regions, in the way cities grew up around railroad junctions in the 19th century.”

Modor Intelligence anticipates the Saudi MRO sector will grow more quickly than the regional average (5%), with a CAGR of approximately 6% between 2024 and 2029.⁷⁵

In Saudi Arabia, these zones include the Riyadh Integrated Special Logistics Zone, which is Saudi Arabia’s first special integrated logistics zone and is located close to the King Khalid International Airport. It is connected to the airport and to other free trade zones by bonded corridors.

In Jeddah, a 1.2 million sqm aviation industry cluster is being established at the MODON Oasis industrial zone to encourage value-added aviation businesses to set up in the district to take advantage of proximity to both King Abdulaziz International Airport and the Jeddah Islamic Port. The goal⁷⁶ is to encourage aviation-related manufacturing to set up in the zone, helping to drive supply chain localization.

Also based at the airport in Jeddah is the Saudia Technic MRO Village, the largest MRO complex in the Middle East. The facility also will be home to Saudia Cargo’s new headquarters, which will occupy 8,474 sqm.⁷⁷

In the defense sector, MRO work is performed in part by the Saudi Arabian Military Industries (SAMI) subsidiary SAMI Aerospace, which is supporting the General Authority of Military Industries’ (GAMI) goal of increasing the domestic share of the Kingdom’s defense expenditures to 50% by 2030. SAMI Aerospace, located in Jeddah, works in the field of manufacturing, support, operations, maintenance, repair, overhaul, and modernization. Its MRO activities include support to the GE Aerospace F110 engine, which powers the Royal Saudi Air Force’s F-15 aircraft.

Further support to these ancillary and aviation-adjacent industries comes from NIDC,⁷⁸ which has identified high-value-add industries for targeted investment, including aerospace-grade specialty materials, aerospace components and systems, and new aerospace platforms and ecosystems such as unmanned aerial vehicles and satellites. It also is supporting conventional MRO operations.

⁷⁵ “Middle East Aircraft MRO Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030),” Modor Intelligence

⁷⁶ “Saudi Arabia Launches Aviation Industries Cluster in Jeddah to Enhance Supply Chains,” Saudi Press Agency, February 25, 2025

⁷⁷ <https://www.saudiacargo.com/news/Saudia-Technic-Welcomes-Saudia-Cargo-Headquarters>

⁷⁸ <https://www.ic.gov.sa/industries-aerospace/>

Closer look: MEPC

A second defense MRO company - this one based in Riyadh – exemplifies the value of this sector. The Middle East Propulsion Company (MEPC), which was established in 2012 at the King Khaled International Airport Industrial Park in Riyadh,⁷⁹ operates a 110,000 m² facility providing maintenance, repair and overhaul services to thousands of rotary- and fixed-wing aircraft engines, including the F110 engine fleet. The company also leverages its advanced manufacturing and repair facilities to support other highly specified precision manufacturing customers in the Kingdom.

MEPC operations have brought critical engine maintenance to the Kingdom, fostered local technical capabilities, and directly contributed to GAMI's in-country supply chain and industrial manufacturing targets.



Source: MEPC

Reflecting the positive impact that aviation MRO has on job creation, the facility employs 350 skilled engineers and technicians, with a headcount that has grown nearly 30% in the past two years. More than 85% of those jobs are held by Saudis, including 100% of supervisory and higher leadership positions. To help ensure a local talent pipeline, MEPC works with universities and training institutes, including the Saudi-based Colleges of Excellence, which facilitates technical and vocational training services for industries across the Kingdom. Ongoing technical and engineering training helps build skills further, provided by OEM partners such as GE Aerospace.

MEPC's operations also reflect aviation MRO's high value-add to the economy. In addition to an engine test cell, which represents a significant investment in advanced construction and aviation technology, the company spent more than SAR160 million (US\$42.6 million) to build 13 specialized shops equipped with more than 80 pieces of sophisticated machinery and equipment that are capable of performing complex and high-precision processes, such as close tolerance grinding and metallurgical laboratory tensile testing.

With this equipment, MEPC is helping expand Saudi manufacturing capabilities, as it is certified and contracted to produce various non-engine components for customers.

Tourism boost

Building on its already sizable religious tourism industry, Saudi Arabia has embarked on a plan to establish itself as a major tourist destination. This represents a “180-degree turn from the past, when access was quite difficult,” said Dr. Wong. Tourism is not only a powerful generator of economic activity, with its large business multiplier effect across the economy, it also delivers “a big bang for the buck,” in terms of job creation.

Although some Gulf states such as Saudi Arabia, Qatar, and parts of the UAE such as Abu Dhabi weren't previously focused on tourism because of their hydrocarbon revenues, that has changed, he said. “Now, they're asking themselves, ‘What else besides oil and natural gas can we offer people?’ Whether it's coastlines or history or beautiful mountains, they are looking at their tourism assets,” with examples being the Kingdom's Al-Ula Valley or the Saudi Red Sea coast.

Some countries in the region, such as Oman, are offering themselves as a destination for international retirees, creating a need for extensive connectivity to serve these transplants and their visiting relatives.



Source: Tourism in Saudi Arabia - Wikipedia

⁷⁹ Data and other information about MEPC was provided by the MEPC Corporate Communication Department

Progress in Saudi Arabia has already been made. In 2023, there were 17 million inbound tourists arriving by air, among nearly 30 million total international tourists,⁸⁰ compared with 17.5 million total inbound tourists using all modes of transport in 2019.⁸¹ The Kingdom seeks to more than double the 2023 number to 70 million total international tourists.⁸²

Currently, approximately 60% of the economic impact of all tourism in Saudi Arabia (not just aviation-linked tourism) accrues to Makkah Province, driven by Hajj and Umrah visitors.⁸³ Makkah saw 30 million international passengers, the largest of any province, compared with 15.5 million in Riyadh.

With its US\$800 billion tourism-linked development budget going to projects such as NEOM, Diriyah, Al-Ula, Red Sea Project, and Jeddah Central, the Kingdom is looking to dramatically expand the share of international travelers arriving for leisure tourism – with a goal of 300 million total tourists by 2030, compared with 100 million in 2023.⁸⁴

Ensuring a return on that investment requires connectivity, Dr. Wong said, especially air connectivity. “That’s why Saudi Arabia is investing in the aviation industry and why they are putting so much effort into improving access into the Kingdom.”



Source: Stock image-FREEPIK

Saudi Aviation Strategy

Launched in 2022, the Saudi Aviation Strategy is backed by US\$100 billion in investments by the government and private sector. It seeks to empower Saudi Vision 2030 and make the Kingdom home to the leading aviation sector in the Middle East.



Goals:

- Triple aviation's contribution to GDP
- Extend KSA connectivity to more than 250 destinations from 29 airports
- Increase tourism to more than 300 million
- Triple annual passenger traffic to 330 million
- Become world's fifth largest global passenger connecting hub
- Increase air cargo volumes more than 5-fold to 4.5 million tons with a 17% CAGR
- Become the number one regional cargo hub
- Host two global long-haul connecting hubs in Riyadh and Jeddah for passengers and cargo

⁸⁰ <https://economymiddleeast.com/news/wef-world-economic-forum-davos-2025-saudi-arabia-targets-70-million-annual-tourists-and-top-seven-ranking-by-2030-says-tourism-minister/>

⁸¹ <https://www.e-unwto.org/doi/abs/10.5555/unwtotf0682011220182022202310>

⁸² <https://economymiddleeast.com/news/wef-world-economic-forum-davos-2025-saudi-arabia-targets-70-million-annual-tourists-and-top-seven-ranking-by-2030-says-tourism-minister/>

⁸³ “The State of Aviation in the Kingdom of Saudi Arabia 2024,” General Authority of Civil Aviation

⁸⁴ “Tourism Statistics in Saudi Arabia 2023,” Saudi Ministry of Tourism

The Road Ahead

An accelerating contribution

Today's accomplishments have prepared the way for the industry to have an even greater impact. The Middle East will witness the largest increase in total aviation and aviation-linked jobs of any region, while the aviation sector's impact on regional GDP is set to rise at one of the fastest paces globally, virtually tied with fast-growing Africa and Asia-Pacific.

As a result, over this period, the Middle East's aviation sector, in terms of total jobs and total GDP, will grow at a faster pace than the world as a whole, with the region's share of total global jobs rising from 4.6% to 6.9% and its share of total global GDP increasing from 7.07% to 8.6%.

Forecasts show that the number of people directly employed in the sector is set to rise more than 60%, from 580,000 to 930,000 between 2023 and 2043. During that 20-year period, total direct and indirect aviation jobs will reach 9.4 million, a 134% increase, while aviation's total direct and indirect GDP contribution will reach \$730 billion, a 151% increase.⁸⁵

Powering this region wide include the nearly 800 aircraft on order⁸⁶ and the expanding MRO sector to meet this with estimates that the US\$10 billion industry of 2025 will grow to US\$12.8 billion by 2030, a compound annual growth rate of more than 5%.⁸⁷



Source: Stock image-FREEPIK



With a 134% increase, no other region globally is expected to see such large gains in aviation jobs. These numbers suggest that the outsized impact of aviation on regional and national economies will continue to accelerate.

⁸⁵ "2024 Aviation Benefits Beyond Borders", Air Transport Action Group

⁸⁶ <https://www.oag.com/blog/middle-east-aviation-new-aircraft-orders>

⁸⁷ "Middle East Aircraft MRO Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030)," Modor Intelligence. NOTE: Türkiye is included as part of the Middle East.



Source: Stock image-FREEPIK

Several factors are fueling these numbers. Governments and private sector companies in the Middle East have put in place a solid foundation for the region's aviation sector. As a result, aviation's contribution to GDP and job creation is set to accelerate. Governments have indicated that their financial, policy, and resource commitments to the sector will continue for decades. With a focus on future-looking technologies, including AI, sustainability industries and renewable energy, as well as professional services and tourism, the region will increasingly generate, and foster, demand for aviation.

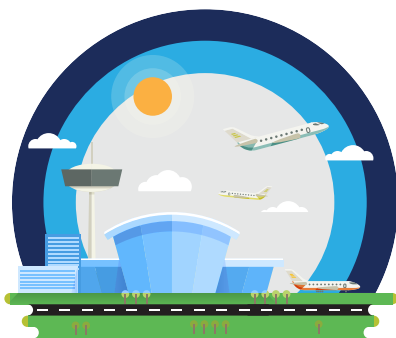
A key driver will be population and economic growth not only in Gulf countries but also surrounding regions, noted Daniel Richards, Senior Economist with Emirates NBD. Saudi Arabia, for example, has the fastest growing population in the OECD. The Dubai government is anticipating 5.8 million residents by

2040, nearly 50% more⁸⁸ than the 4 million it reached⁸⁹ in 2025. These residents "presumably will be relatively well off, and likely a large share would be from foreign countries, which would drive further air travel," Mr. Richards said.

As well, airlines in the region are "well-positioned to service the high levels of [population] growth forecast in both Asia-Pacific and Africa as well, sitting as it does at the meeting point of three continents," he said.

Dr. Wong elaborated on this point, saying airlines in the Middle East are positioning themselves for the inevitable development to come. With its position "dead center" between Africa, Asia and Europe, "Middle East airlines will shine. They want to provide the connectivity that will support the economic growth on the African continent," he said.

Middle East by 2043



530 million passengers, twice the current number⁹⁰

3.9% annual traffic growth⁹¹

60% increase in direct aviation jobs

134% growth in all aviation-related jobs, the highest globally

6.9% of global aviation jobs, up from 4.6%

8.6% of global aviation GDP, up from 7.07%

151% increase in direct and indirect GDP contribution

⁸⁸ <https://www.khaleejtimes.com/uae/dubai-population-to-hit-4-million-2025>

⁸⁹ <https://www.thenationalnews.com/news/uae/2025/08/28/as-du-bais-population-reaches-four-million-what-lies-ahead-for-a-city-that-keeps-on-growing/>

⁹⁰ <https://www.zawya.com/en/press-release/companies-news/iata-middle-east-agm-highlights-qyixya9e>

⁹¹ <https://www.zawya.com/en/press-release/companies-news/iata-middle-east-agm-highlights-qyixya9e>

Future Trends

Artificial intelligence

Countries in the region, particularly Saudi Arabia and the UAE, have made strategic commitments to artificial intelligence (AI). They are expected to make major contributions across their economies, including in aviation. An example of this is the Master of Science degree in Data Science and AI being offered at Emirates Aviation University.⁹²

Mr. Richards said this local AI infrastructure is likely to benefit the aviation sector, which itself is exploring ways to leverage AI to boost its operations. He notes that UAE airports are already implementing AI solutions to support their workflows in areas such as facial recognition, luggage sorting, traffic management and flight schedules. “This is expected to accelerate in the coming years and will help facilitate the rapid growth in planes and passengers that are anticipated as ongoing investments expand the airlines and airports.”

MRO operations also are deploying AI. For example, GE Aerospace technicians use an AI-enabled blade inspection tool to reduce engine inspection times, while AI and machine learning are providing earlier lead times to make preventative maintenance recommendations. Another use: GE Aerospace software uses powerful analytics to help pilots improve fuel efficiency.



Source: Stock image-FREEPIK

“[AI] is expected to accelerate in the coming years and will help facilitate the rapid growth in planes and passengers that are anticipated as ongoing investments expand the airlines and airports.”

Daniel Richards,
Senior Economist with Emirates NBD

Sustainability

The global aviation industry is committed to being net zero by 2050 through a combination of technologies and approaches, including making aircraft and engines more energy efficient, transitioning to alternative fuels, incorporating electric power, and other activities to reduce fuel consumption or lower emissions. They also are exploring carbon capture and high-quality carbon credits.⁹³

Middle East governments and airlines have been early adopters of policies to support these goals. The UAE is pursuing the “National Sustainable Aviation Fuel Roadmap of the United Arab Emirates,” which focuses on building local SAF R&D capacity and local production capabilities, developing supportive regulations, and supporting international collaboration.⁹⁴ Both Emirates and Etihad Airways are pursuing SAF programs, with Emirates having conducted two test flights, each with one GE Aerospace or joint-venture partner engine operating with 100% SAF. The UAE is targeting 700 million liters of SAF production annually by 2030,⁹⁵ while Egypt is working to build 120,000 tons of annual production capacity.⁹⁶

Saudi Arabia is building infrastructure to support SAF and hydrogen fuel development as part of megaprojects such as NEOM. The Arabian Petroleum Supply Company (APSCO), which provides aviation fuel in the Kingdom, is studying the production of SAF in Saudi Arabia.⁹⁷

Meanwhile, a SAF fuel blend is already available in the country. Airlines at the Red Sea International Airport can procure this fuel blend through an initiative led by PIF-owned Red Sea Global. Sustainable aviation is also a focus in Qatar, with Qatar Airways signing a deal in 2023 to source 3,000 metric tons of neat SAF at Amsterdam Schiphol Airport, the first carrier in the Middle East to procure a large SAF amount in Europe beyond government SAF mandates.⁹⁹

Building on these early steps, the economic impact of government and airline commitments to net-zero emissions in the aviation sector will drive local innovation, sustainable aviation infrastructure development, and regional expertise in this emerging and critical field of global sustainability efforts.

⁹² <https://www.eau.ac.ae/en/programmes/postgraduate/msc/msc-in-data-science-and-artificial-intelligence/>

⁹³ “Executive Summary: Net Zero CO2 Emissions Roadmap” International Air Transport Association, September 2024

⁹⁴ [file:///Users/wapin/Desktop/UAE_National_SAF_Roadmap%20\(2\).pdf](file:///Users/wapin/Desktop/UAE_National_SAF_Roadmap%20(2).pdf)

⁹⁵ <https://www.iata.org/en/pressroom/2025-releases/2025-04-16-01/>

⁹⁶ <https://www.iata.org/en/pressroom/2025-releases/2025-04-27-01/>

⁹⁷ <https://www.icao.int/MID/MIDANPIRG/Documents/MID22%20and%20RASGMID12/WP%20102%20Saudi%20Arabia%20SAF%20APSCO.pdf>

⁹⁸ <https://www.redseaglobal.com/en/w/media-center/red-sea-global-brings-sustainable-aviation-fuel-to-the-kingdom-for-the-first-time-2/>

⁹⁹ <https://www.qatarairways.com/press-releases/en-WW/226578-qatar-airways-signs-deal-with-shell-for-sustainable-aviation-fuel-supply-at-amsterdam-schiphol-airport>

Space

While many regional governments are focused on aviation, several are also pursuing space programs, largely for the same reasons: economic development and diversification, and the benefits of space technology application in other parts of the economy. The large overlap in specialized manufacturing, IT and engineering skills means that as the space industry develops, it will represent a new frontier for the existing aviation industry and a new avenue for economic impact.

A number of countries are launching satellites, with an eye to localizing as much of the supply chain as they can. While the UAE operates its Emirates Mars Mission, it also has established Space Economic Zones and a “Space Means Business” campaign, both of which speak directly to the economic benefits of space. The Saudi Space Agency is enabling a US\$327 million investment in satellite manufacturing in the Kingdom, while Oman is developing its Etlaq Spaceport with the goal of opening in 2030.



Source: Stock image-FREEPIK

Recommendations

While many countries in the region have implemented best practices to support robust aviation sectors, even more is possible, according to IATA.¹⁰⁰ One of the top issues the organization has identified is the need to harmonize the Middle East’s regulatory environment, noting that airlines and MRO operators face a multitude of certification standards and compliance requirements. Countries should harmonize airline certifications and frameworks to improve efficiencies for airlines and also pursue mutual recognition of MRO-related certifications to reduce costs. Countries also should work toward a unified air transport market, as is the case in Europe, instead of multiple bilateral air service agreements.

Another area for regional government cooperation is better coordination of airspace and traffic management through data sharing, harmonized procedures, and expanded access for civilian aircraft by reducing restricted military airspace. Air traffic control capabilities also much be enhanced to meet the rising traffic through next-generation systems that incorporate artificial intelligence. Reflecting this priority, Abu Dhabi will host the Middle East’s first air traffic management conference in 2026.¹⁰¹

Given the huge forecast growth of the sector, ensuring a sufficiently skilled workforce must also be a focus. Countries must work to build a strong pipeline of talent across the full range of skills required, ranging from MRO technicians and engineers to airport ground staff to tourism employees. Reflecting this need, technology providers are building local capabilities. GE Aerospace, for example, has provided training to thousands of regional customer technicians and engineers in recent years, on both the civilian and defense side of MRO



Source: Stock image-FREEPIK

¹⁰⁰ <https://www.iata.org/en/pressroom/2025-speeches/2025-05-06-01/>

¹⁰¹ <https://canso.org/airspace-abu-dhabi-2026-announced-as-tri-regional-platform-for-atm-transformation/>

Industry organizations also can play a role. IATA opened a new training center in Abu Dhabi that offers dozens of courses in topics such as safety, security, sustainability, airline operations, airport management and operations and cargo management.¹⁰²

Equally essential are academic programs. Shortly before his departure, Dr. Wong's department at Prince Sultan University earned certification from Aviation Accreditation Board International, identifying its program as on par with aviation management programs around the world.

The third main recommendation is to ensure infrastructure spending is efficient, cost effective and implemented in alignment with relevant stakeholders to be sure projects are designed and implemented in ways that meets the needs of all stakeholders.¹⁰³ As Ahmed noted, ensuring airports and related infrastructure are constructed on time and on budget requires carefully managed supply chains, including with early vendor engagement, framework agreements for long-lead items, and digital twins and other digital modeling to facilitate system coordination.

Fourth, given the priority in the region for increased sustainability, governments should further facilitate SAF take-up by providing a mix of incentives, such as tax credits in places like Washington State, USA,¹⁰⁴ and

mandates, such as the EU's ReFuelEU 2% SAF blending requirement set to come into effect in 2025 and moving to a 70% share by 2050.¹⁰⁵ The World Economic Forum recommends solutions like co-processing SAF at existing fossil fuel refineries; promoting power-to-liquids deployment; and government financial support, regulatory clarity and transparent SAF accounting standards.¹⁰⁶

Finally, if countries in the region want to meet their tourism targets, Dr. Wong said, they must work harder to bolster their image abroad. "There are a lot of misconceptions out there about the Middle East. Countries in the region need to make them [global audiences] curious and eager to visit and see their historical and natural sites."

“ There are a lot of misconceptions out there about the Middle East. You've got to win the hearts of the people. Countries in the region need to make them [global audiences] curious and eager to visit and see their historical and natural sites. ”

Dr. Dan Wong,
Aviation Industry Consultant and
retired Associate Professor and
Aviation Program Leader at Prince Sultan University



Source: Stock image-FREEPIK

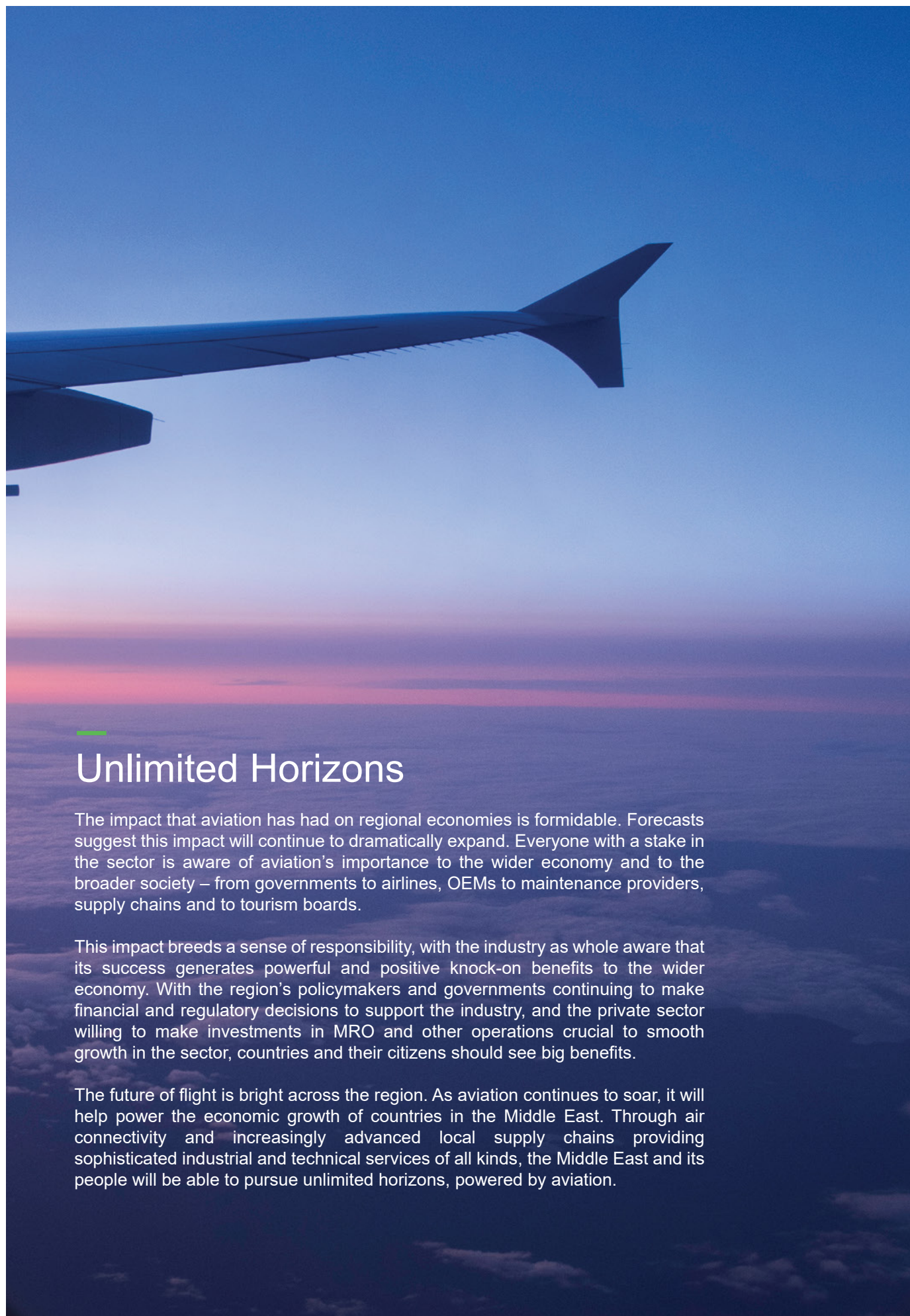
¹⁰² <https://www.iata.org/en/pressroom/2024-releases/2024-12-05-01/>

¹⁰³ <https://www.iata.org/en/pressroom/2025-releases/2025-04-27-01/>, <https://www.iata.org/en/pressroom/2025-releases/2025-05-06-01/>

¹⁰⁴ <https://www.portseattle.org/news/new-washington-law-incentivizes-local-sustainable-aviation-fuel-production>

¹⁰⁵ <https://www.easa.europa.eu/en/domains/environment/eaer/sustainable-aviation-fuels>

¹⁰⁶ "Scaling Up Sustainable Aviation Fuel Supply: Overcoming Barriers in Europe, the US and the Middle East", World Economic Forum, March 2024



Unlimited Horizons

The impact that aviation has had on regional economies is formidable. Forecasts suggest this impact will continue to dramatically expand. Everyone with a stake in the sector is aware of aviation's importance to the wider economy and to the broader society – from governments to airlines, OEMs to maintenance providers, supply chains and to tourism boards.

This impact breeds a sense of responsibility, with the industry as whole aware that its success generates powerful and positive knock-on benefits to the wider economy. With the region's policymakers and governments continuing to make financial and regulatory decisions to support the industry, and the private sector willing to make investments in MRO and other operations crucial to smooth growth in the sector, countries and their citizens should see big benefits.

The future of flight is bright across the region. As aviation continues to soar, it will help power the economic growth of countries in the Middle East. Through air connectivity and increasingly advanced local supply chains providing sophisticated industrial and technical services of all kinds, the Middle East and its people will be able to pursue unlimited horizons, powered by aviation.

Appendix

Economic Impact Data

EGYPT	 Jobs 2016	 Jobs 2023	 Jobs % change	 GDP (US\$) 2016	 GDP (US\$) 2023	 GDP % change
Total	602,000	1.4 m	132	7 bn	21 bn	200
Tourism catalytic	383,000	1.2 m	213	4.1 bn	15 bn	266
Induced	20,000	75,000	275	240.6 m	1 bn	316
Indirect	102,000	89,000	(12.7)	1.2 bn	1.6 bn	33.3
Aviation direct	97,000	56,000	(42.2)	1.4 bn	3.5 bn	150

Note: In the Aviation Benefits Beyond Borders reports, Egypt is part of the Africa region.

SAUDI ARABIA	 Jobs 2016	 Jobs 2023	 Jobs % change	 GDP (US\$) 2016	 GDP (US\$) 2023	 GDP % change
Total	594,000	1.4 m	136	36.2 bn	91 bn	151
Tourism catalytic	295,000	1.1 m	273	16.2 bn	53 bn	227
Induced	47,000	48,000	2.1	2.5 bn	6 bn	140
Indirect	114,000	120,000	5.3	6.1 bn	17 bn	179
Aviation direct	138,000	141,000	2.2	11.4 bn	14.3 bn	25.4

UAE	 Jobs 2016	 Jobs 2023	 Jobs % change	 GDP (US\$) 2016	 GDP (US\$) 2023	 GDP % change
Total	777,000	990,000	27.4	47.1 bn	92 bn	95.3
Tourism catalytic ¹⁰⁷	409,000	316,000	n/a	28 bn	22 bn	n/a
Induced	68,000	180,000	165	3.8 bn	16 bn	321
Indirect	120,000	310,000	158	6.7 bn	28 bn	318
Aviation direct	180,000	207,000	15	8.6 bn	26.6 bn	209

OMAN	 Jobs 2016	 Jobs 2023	 Jobs % change	 GDP (US\$) 2016	 GDP (US\$) 2023	 GDP % change
Total	n/a	42,000		n/a	1.8 bn	
Tourism catalytic	n/a	18,000		n/a	710 m	
Induced	n/a	7,000		n/a	460.5	
Indirect	n/a			n/a		
Aviation direct	n/a	17,000		n/a	629.5 m	

¹⁰⁷ "The 2024 Aviation Benefits Beyond Borders" report states that some data, particularly tourism catalyst data is not directly comparable between 2016 and 2023, given changes in data sources.





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