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Financing the next chapter

Building the GCC's capital markets



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Key takeaways

1 **Capital markets can drive the GCC's next chapter**
Deeper markets can connect national transformation, household financial security, and long-term competitiveness by channeling savings into productive investment.

2 **Long-term savings must be connected to investable opportunities**
Workplace and retail investment pathways can broaden participation, but they need credible public and private market opportunities able to absorb capital at scale.

3 **Market infrastructure will determine whether capital can scale**
Liquidity, settlement, disclosure, market making, securitization and other structured finance tools, securities lending, derivatives, investor protection and regulated digital innovation are essential to support trust and institutional participation.

4 **Domestic and global capital should reinforce one another**
Sovereign wealth funds will remain central, but deeper markets also require domestic savings pools and durable international investors able to allocate through cycles.

5 **Execution is the priority**
Reforms to savings channels, investable supply, market infrastructure, and cross-border access should advance together, so the GCC can build connected ecosystems that finance growth and broaden participation.

Foreword



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Policymakers across the Middle East are facing a pivotal and defining moment for the region: building resilient, inclusive economies while navigating wider global economic shifts.

As the region enters its next phase of development, investment is increasingly being shaped by the long-term value it can create for economies, communities and future generations. Governments across the region are already advancing ambitious national visions, supported by investment in secure energy systems, modern logistics, digital capacity, social infrastructure and stronger financial resilience. Against a more complex regional and global backdrop, these priorities make diversified sources of growth and efficient long-term financing even more important.

The opportunity is significant. By connecting long-term savings to productive investment, capital markets can unlock innovation, support job creation, and expand participation, creating a virtuous cycle of growth and shared success across the region.[1] In doing so, they can help citizens and residents build long-term financial security and continue to grow with their countries.

There is no single blueprint for capital market development across the Middle East. That is a strength. Different markets can build on their own institutions, ambitions, and investor bases, while sharing a common focus on investor protection, innovation, effective regulation, international outlook, strong market connectivity, and resilient market infrastructure.

Realizing the region's ambitions will depend on close collaboration between policymakers and industry. This paper considers how a deeper and more diverse domestic investor base can work alongside a broader investable opportunity set and resilient market infrastructure to support GCC capital market development and connect local and global investors.

1 BlackRock, The Virtuous Cycle: The Global Potential of Capital Markets" https://www.blackrock.com/corporate/literature/whitepaper/global-capital-markets-paper.pdf

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Introduction

The GCC's next phase of growth will require capital markets that more effectively align three objectives: stronger household financial security, deeper pools of domestic long-term capital, and a broader set of investable opportunities linked to national transformation agendas. When these objectives reinforce one another, capital markets can help citizens and residents participate in economic growth while giving companies, governments and projects access to more diverse and durable financing.

That connection is becoming more important. By 2030, the GCC is projected to represent a $3 trillion economy, growing at a pace consistently above the Emerging Market average through the 2020s, reflecting the scale and ambition of reform agendas across the region. Sustaining that momentum will require long-term capital for infrastructure, energy systems, logistics, digital capacity, housing, healthcare and strategic industries, alongside clearer pathways for citizens and residents to save, invest and build financial security as labor markets, longevity and residency patterns evolve.

The region has a distinctive advantage in sovereign capital. GCC sovereign wealth funds (SWFs) represent one of the world's largest concentrations of long-horizon capital: six of the ten largest funds globally are based in the region, together accounting for roughly 40% of global SWF assets, and are collectively forecast to exceed $7 trillion by 2030.[2]

This sovereign strength gives the GCC scale, credibility and co-investment capacity.

The practical task now is to build on this sovereign strength by broadening the domestic investor base, expanding investable supply, and ensuring that market infrastructure can support participation at scale. Three complementary pools of capital will support this next phase: sovereign wealth, which provides scale, credibility, and co-investment capacity; domestic savings, which broaden participation and provide recurring local capital; and international institutional capital, which adds depth, diversification, and global connectivity.

Across the GCC, savings frameworks are at different stages of maturity, from funded workplace systems and voluntary end-of-service savings alternatives to social insurance reforms and earlier stage proposals. The common opportunity is to convert existing saving behaviors into more consistent long-term investment participation through household saving, workplace savings, retail investment, and institutional allocation channels.

Done well, this can create a virtuous cycle: households build stronger financial security, domestic markets gain stable capital that supports new listings and deeper liquidity, and global investors gain clearer reasons to participate in the region's long-term growth.

2 Deloitte Middle East (2025) 'Gulf Sovereign Wealth Funds lead global growth as assets forecast to reach USD 18 tn by 2030.' Press release. Dubai, 20 March.



Figure 1 – Gross Domestic Product (GDP) per Capita (2026F, $thousand)

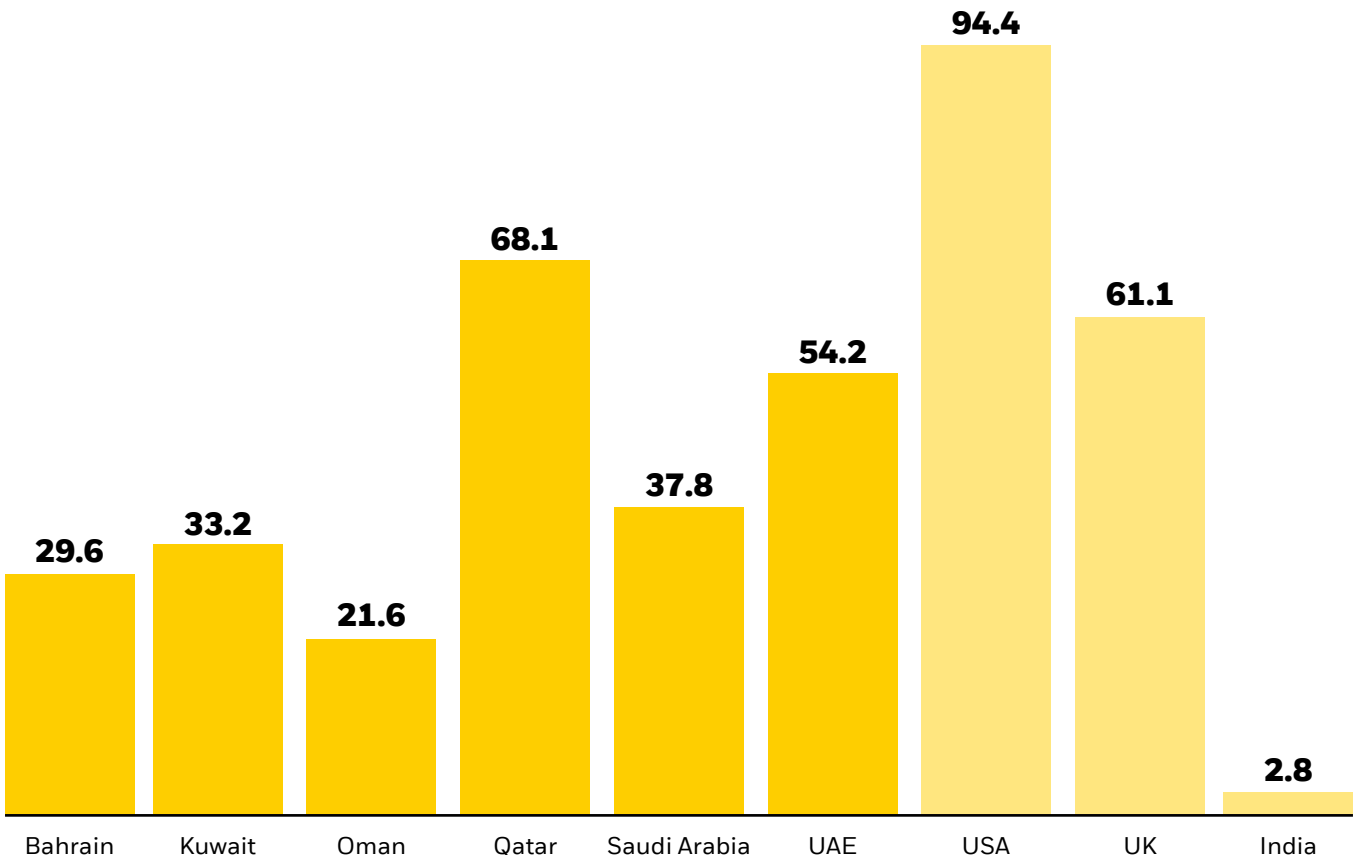
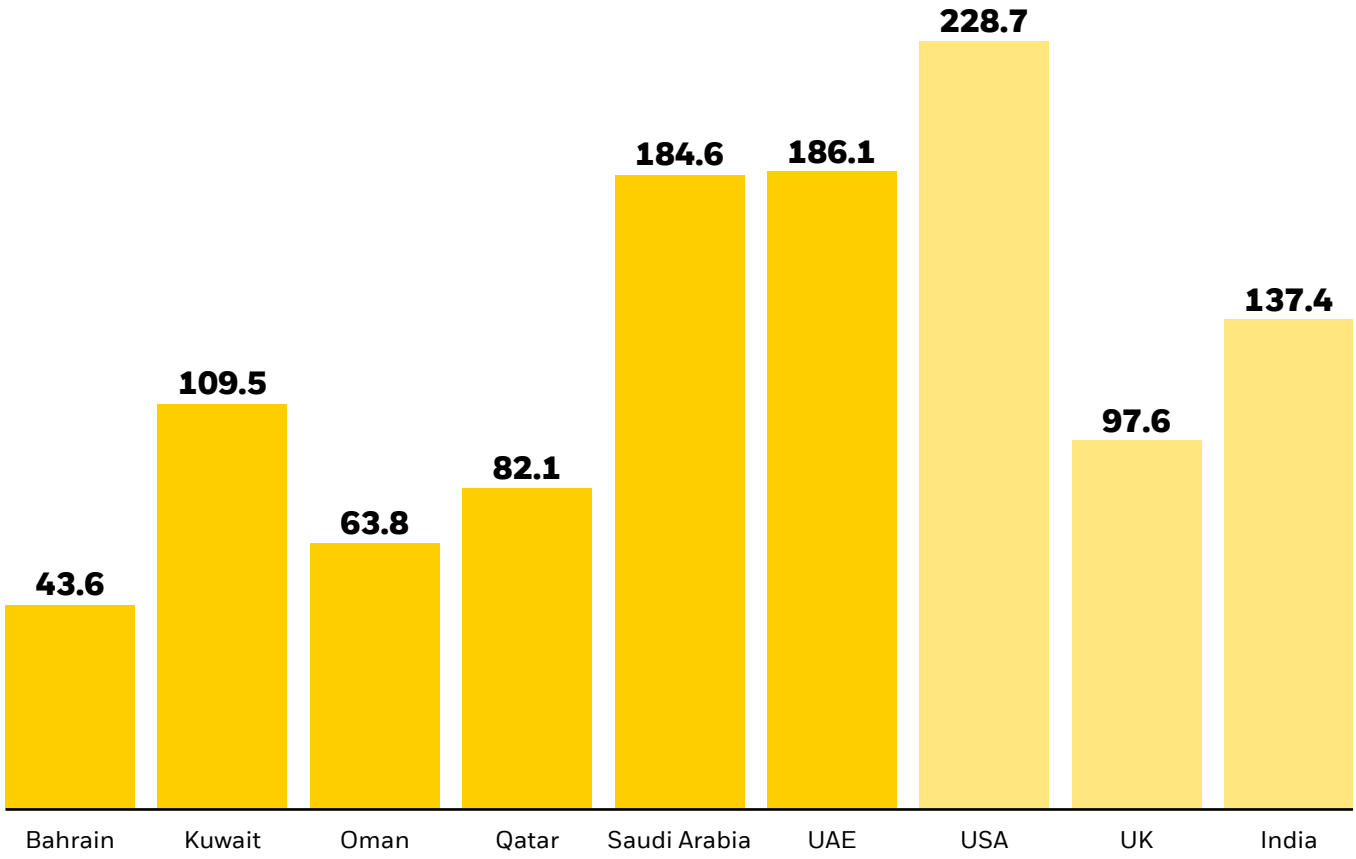


Figure 2 – Public Market Capitalization as Percentage of GDP (2025)



Connecting long-term savings to productive investment

Capital market development has emerged as a central pillar of economic strategy across the GCC. As governments pursue national transformation programs such as Saudi Vision 2030,[3] the UAE's We the UAE 2031,[4] Qatar National Vision 2030,[5] Kuwait Vision 2035,[6] and Oman Vision 2040,[7] capital markets are increasingly recognized as critical enablers of economic diversification, private sector growth and the efficient allocation of capital in support of long-term national development objectives.

This reflects an evolution in the region's growth model. The GCC has historically been one of the world's largest exporters of capital. Today, sovereign and public capital is playing a larger role in financing domestic priorities, alongside the region's continued role as a major global investor. Prolonged regional disruption has reinforced the focus on resilience and strategic capacity across critical sectors, from energy and transport to digital infrastructure. As investment needs expand, local markets will need to mobilize long-term capital efficiently, price risk credibly and attract both domestic and international investors.

The region is well positioned to take this forward. Large sovereign balance sheets, strong external positions, relatively low public debt levels and clearly articulated national investment strategies provide a strong foundation.[8] Sovereign institutions can catalyze market development, while a broader and more diverse domestic investor base can deepen markets over time. Together, they can support productive investment at home while giving savers and institutions greater scope to diversify globally.

The greatest impact will come when long-term savings, investable supply and market infrastructure reinforce one another, creating a flywheel for deeper and more resilient markets. Workplace savings and retail investment pathways can widen participation and help households build financial security, while also creating capital that can be invested through cycles across public and private markets.[9]

Participation at scale also depends on effective investment channels. Funds, ETFs, Shariah-compliant strategies, model portfolios, and workplace default options can give savers diversified routes into domestic and global investment opportunities, while supporting more consistent long-term capital formation. To be effective, these channels need strong product governance, clear disclosure, appropriate distribution standards, and investor education.

Spotlight

Taiwan: the growth of retail ETF participation

Taiwan offers a useful example of how simple, diversified investment channels can help convert household savings into broader capital market participation. Over the past decade, policymakers, regulators, market participants and the Taiwan Stock Exchange have supported the growth of ETFs through investor education, product innovation and market infrastructure. ETFs have provided households with a transparent and accessible route into listed markets, helping retail investors move from saving to investing and giving more people a stake in long-term market growth.

By 2025, Taiwan had more than 15 million ETF investors, equivalent to around two-thirds of the population and nearly nine times the level seen in 2020. Investor education initiatives, including public ETF expos and digital learning platforms, helped build confidence among first time investors and encouraged behaviours such as regular investing and dollar cost averaging.

Taiwan's experience illustrates that retail participation does not scale through product availability alone. It depends on the combination of accessible investment vehicles, strong investor education, clear regulation, effective distribution and market infrastructure that gives households the confidence to participate. The result has been a broader ownership culture, enabling more citizens to share in capital market growth and participate more directly in the long-term success of their country's economy.

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Policymakers should also consider how local registration, private placement, fund passporting and cross-border marketing routes can widen access without weakening investor protection.

As long-term savings pools grow, the investable opportunity set will need to expand and diversify. GCC equity markets already include large, established issuers, with scope to broaden sector representation, increase free float over time and bring more growth-oriented companies to market. A more balanced pipeline across industries would give investors greater choice and help build the next generation of regional champions.

Sustained capital market development will also require deeper and more liquid local currency bond markets; a broader range of private credit and infrastructure debt opportunities; clearer routes for companies to move from private to public markets; and a more diverse mix of firms seeking long-term market-based financing.[10] These opportunities will need to absorb capital at scale and offer credible long-term return potential. Structured finance can also broaden the investable opportunity set. In Saudi Arabia, the Saudi Real Estate Refinance Company's mortage portfolio refinancing, alongside the country's first Shariah-compliant residential mortgage-backed security, demonstrates the role securitisation can play in broadening funding sources for lenders. It also highlights how capital markets can expand the supply of medium and long-term fixed income assets available to both domestic and international investors.

Effective market infrastructure is equally important. Institutional investors require liquidity, reliable settlement, effective price discovery, clear disclosure and tools to manage risk. Continued progress on market making, securities lending, derivatives, clearing and settlement, credit ratings and issuer communication can reduce friction and support larger, more sustained allocations. Clear and predictable rules for offering, listing, trading and disclosure are also essential to market depth and investor confidence.[11] In markets with high levels of retail participation, these foundations are particularly important for price discovery and liquidity.

3 Government of Saudi Arabia (2023) Vision 2030: Financial Sector Development Program. Riyadh: Vision 2030. Available at: https://www.vision2030.gov.sa/en/explore/programs/financial-sector-development-program **4** UAE Government (2022) We the UAE 2031 Vision. Abu Dhabi. Available at: https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/innovation-and-future-shaping/we-the-uae-2031-vision **5** Government of Qatar (2008) Qatar National Vision 2030. Doha: National Planning Council. Available at: https://www.npc.qa/en/QNV/pages/default.aspx **6** Government of Kuwait (2017) Kuwait Vision 2035: New Kuwait. Kuwait City: Ministry of Foreign Affairs. Available at: https://www.mofa.gov.kw/en/pages/kuwait-vision-2035 **7** Government of Oman (2017) Oman 2040 https://www.oman2040.com/ **8** The GCC has one of the lowest debt-to-GDP ratios in the world (Western Europe ~150%, Developed Asia ~ 100%, US 120% vs. the GCC's 40-70%). This allows governments the ability to mobilise capital more readily. **9** International Monetary Fund (2025) Pension Reform and Stock Market Development, IMF Working Paper WP/25/49. Washington, DC: IMF. Available at: https://www.imf.org/-/media/Files/Publications/WP/2025/English/wpiea2025049-print-pdf.ashx **10** Kuwait's Decree-Law No. 60 of 2025 on financing and liquidity provides one regional example of reform that could support local-currency debt-market development. The law enables sovereign debt issuance of up to KD 30 billion over a 50-year borrowing horizon, including bonds and sukuk, and may help establish a sovereign yield reference curve for wider bond-market development. **11** Qatar Financial Markets Authority Board Decision No. 8 of 2025 consolidated and updated rules covering public and private offerings; the listing and trading of shares, bonds, sukuk and fund units; disclosure; rights issues; book-building; share buybacks; and mergers and acquisitions.

This infrastructure is also evolving beyond traditional trading and post-trade systems. Tokenization within regulated frameworks, digital issuance and fund distribution platforms can widen access to investment opportunities and improve efficiency across issuance, settlement, distribution and reporting. The opportunity is to combine technology with investor value and strong market structure, embedding digital tools within frameworks that support robust governance, effective distribution, and confidence in secondary market liquidity. For long-term capital formation, their value lies in strengthening the connection between savers and productive investment by improving transparency, supporting liquidity, and reinforcing investor confidence as markets build scale.

The UAE offers practical examples of how regulated digital asset and tokenization frameworks can be developed within clear market-structure, governance and investor-protection guardrails. Dubai Land Department's 'REES' initiative, developed with the Virtual Assets Regulatory Authority (VARA), Dubai Future Foundation and the Central Bank of the UAE, has progressed from an initial pilot to a controlled second phase, including the testing of secondary market resale mechanisms. The initiative is designed to enable fractional ownership and broaden access to property investment, while developing the legal, regulatory and operational foundations needed to support transparency, governance, investor protection and market integrity. As the model develops, these foundations can reduce friction in issuance and transfer and support greater liquidity. In parallel, Abu Dhabi has continued to develop blockchain-enabled financial infrastructure through Abu Dhabi Global Market (ADGM) and related initiatives focused on regulated digital issuance, tokenized assets and digital settlement infrastructure such as the Digital Dirham Stablecoin (DDSC) initiative.

The wider policy priority is to ensure that these elements advance together. A broader domestic investor base will have greater impact where it is matched by opportunities that can absorb capital at scale and by the tools needed to support liquidity, price discovery, and institutional participation. This alignment can help GCC markets finance national priorities while giving households more meaningful ways to participate in long-term growth.

Spotlight

Qatar and Saudi Arabia: market infrastructure reforms

Qatar has taken a significant step in modernizing its capital markets rulebook. The Qatar Financial Markets Authority's (QFMA) Board Decision No. 8 of 2025 consolidated and updated the rules governing public and private offerings, and the listing and trading of shares, bonds, sukuk and fund units, alongside disclosure requirements, rights issues, book-building, share buybacks, and mergers and acquisitions. The QFMA has described the reform as intended to streamline offering and listing procedures, strengthen investor protection, and align Qatar's framework more closely with international standards.

Saudi Arabia has also continued to develop the Tadawul ecosystem. The removal of Qualified Foreign Investor (QFI) requirements and liberalisation of direct foreign access to Tadawul have already broadened international participation. The continued development of listed derivatives, including index and single-stock futures, together with planned reforms to foreign ownership and market access frameworks, reflects meaningful progress in building a more liquid, resilient and accessible market, supporting enhanced risk management capabilities, and attracting a broader range of domestic and international investors.

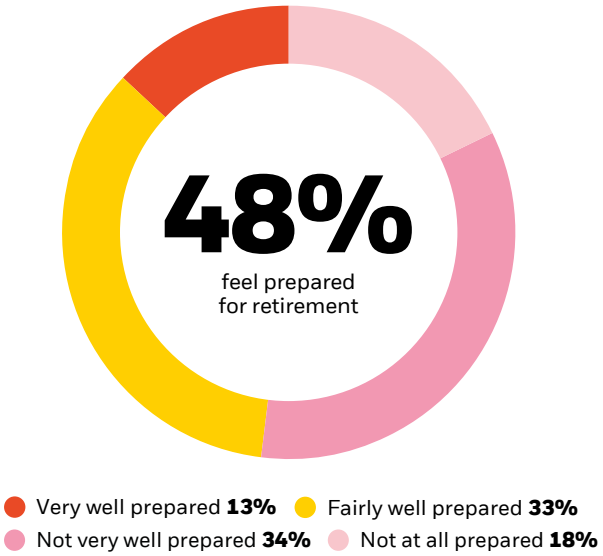
In different ways, the reforms in Qatar and Saudi Arabia are creating clearer and more internationally aligned market frameworks that can support deeper and more resilient capital markets. By improving the environment for capital raising, investment and risk management, they help create the conditions for a broader issuer base, greater investor participation and more efficient allocation of long-term capital. Additional reforms aimed at strengthening the savings and investment landscape in both Qatar and Saudi Arabia remain under consideration, suggesting continued momentum behind the region's capital markets agenda.

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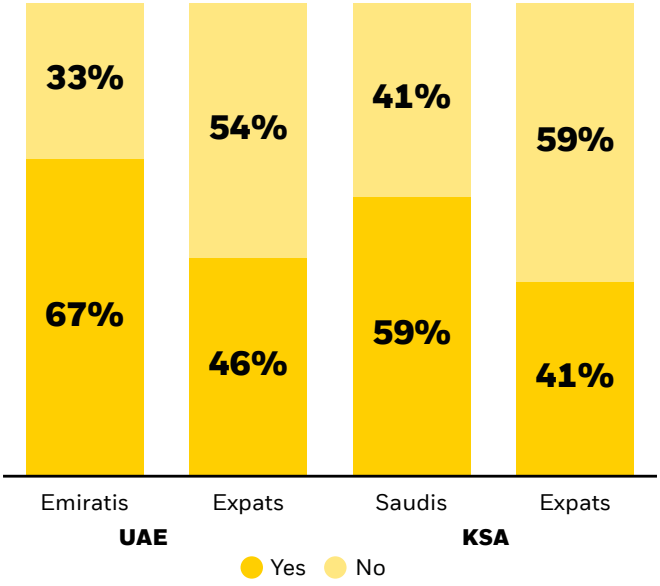
Building savings pathways across the life cycle

Building a broader domestic investor base will depend in part on how households save and invest over time. Survey evidence from the UAE and Saudi Arabia suggests that many households have a strong appetite to save and feel positive about their current financial position. The findings also point to an opportunity to build on this foundation by supporting greater long-term preparedness and wider participation in workplace or other long-term savings plans.[12]

Views of retirement preparedness



Net prepared for retirement



Many households are already taking steps to build financial resilience, whether for retirement, emergencies, or medium-term goals. These forms of saving play an important role in supporting near-term stability. More structured long-term savings pathways can help households build on those existing behaviors, strengthen financial security over time and contribute to larger pools of stable domestic capital.

This positive foundation sits within a rapidly evolving policy landscape, with governments and regulators across the region already developing frameworks to help households build on existing saving habits and strengthen long-term outcomes.

Effective from April 2025, ADGM Employment Regulations give employers the option to offer funded end-of-service savings plans in lieu of the traditional gratuity. Separately, outside the UAE financial free zones, the Federal Government's voluntary Alternative End-of-Service Benefits "Savings Scheme" allows participating onshore private sector employers to invest expatriate employees' end-of-service benefits in approved funds.

Saudi Arabia is also moving forward with pension and social insurance reform.[13] In Qatar, recent changes point to a more institutional and investment-based approach to employee savings and end-of-service benefits.[14] Kuwait's established social insurance and pension system also provides a further foundation for long-term saving, with an opportunity to complement it over time through wider voluntary, workplace and retail investment pathways.[15] These developments show momentum for change. Attention now turns to broadening coverage and creating more continuous patterns of long-term saving and participation in capital markets across the life cycle.

Portability should be treated as a core design objective because it can help workers preserve accumulated savings and continue contributing when they change jobs, rather than cashing out or starting again. The immediate priority is continuity between employers within the same jurisdiction. Over time, this could extend across financial free zones and onshore systems and, where feasible, support continued saving as workers move across GCC labor markets. By reducing cash outs

12 https://www.blackrock.com/ae/intermediaries/read-on-retirement-gcc-2026-eloqua-form **13** Kingdom of Saudi Arabia (2024), Social Insurance Law, issued by Royal Decree No. M/273 and approved by Council of Ministers Resolution No. 1022, dated 26 Dhu al-Hijjah 1445H / 2 July 2024. **14** State of Qatar (2025), Law No. 25 of 2025 amending certain provisions of the Civil Human Resources Law, Official Gazette No. 26, 19 October; State of Qatar (2025), Prime Minister's Decision No. 34 of 2025 establishing the committee responsible for the end-of-service benefit and other employee contributions project, Official Gazette No. 29, 17 December. **15** "Public Institution for Social Security, Taminat Guide: Summary of the Social Security Law in the State of Kuwait (2023)"

and preserving contribution continuity, portability can lengthen the duration of savings and contribute to a more stable pool of long-term capital. The GCC nationals' pension coordination system may offer a useful reference point for future bilateral or regional arrangements.

The case for greater continuity is particularly strong for expatriate populations, whose financial planning often spans multiple employers, jurisdictions, and savings arrangements. Qualitative research in the UAE and Saudi Arabia suggests that end-of-service gratuity is often viewed primarily as an employment benefit rather than as part of a longer-term savings journey. Well designed workplace savings arrangements can build on this foundation through automated contributions, legally segregated assets, continuity between jobs and clear, appropriately governed investment choices. They also give employers a practical channel through which to explain benefits and deliver guidance when people are making financial decisions.

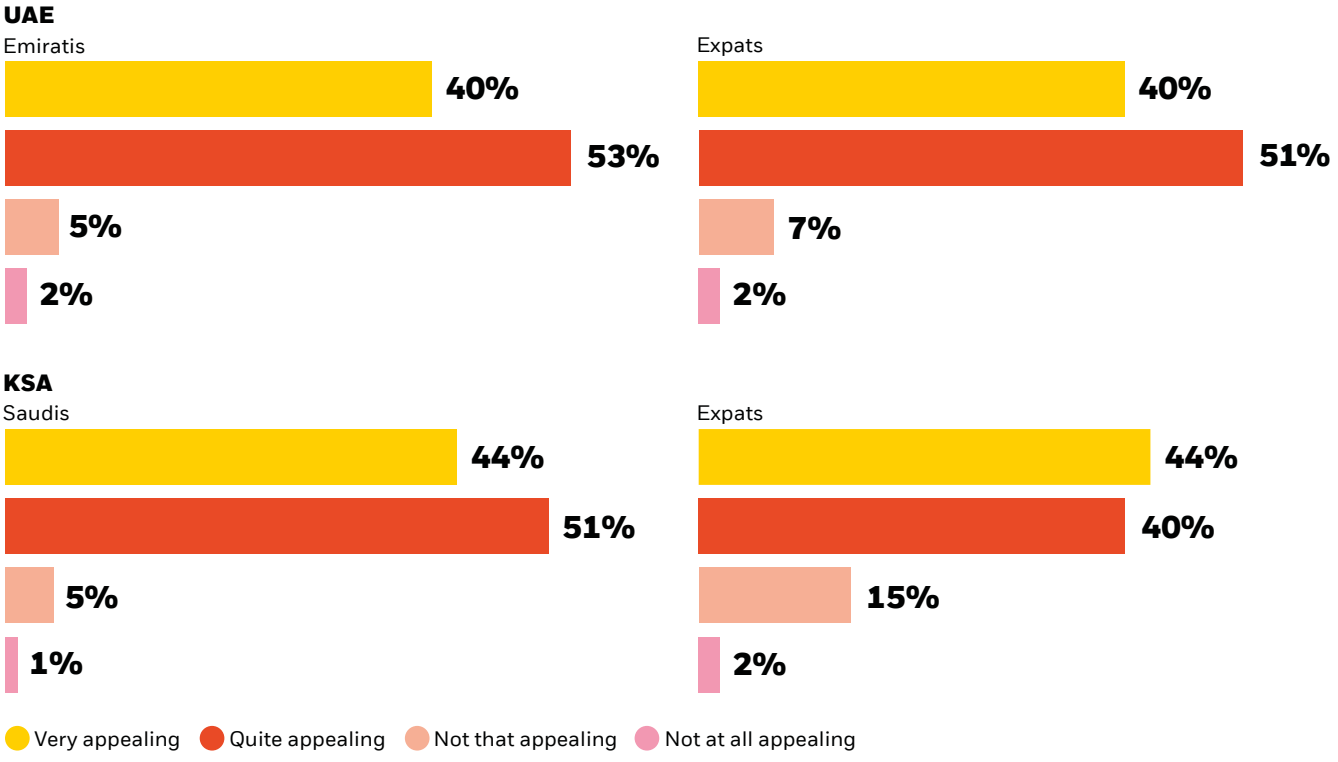
The opportunity extends beyond retirement alone. Retirement is often one of the most significant financial transitions in a person's life, but it is important to see the journey towards it in the wider context of people's financial lives. The aim should be to build systems that create clear savings and investment pathways across the life cycle, so that households can move from short-term financial resilience to longer-term financial preparedness. That includes retirement, but also medium-term goals and earlier forms of wealth building that help establish an investment habit.

How savings are invested matters as much as how they are collected. The investment approach should reflect the purpose and time horizon of each pot: liquid and capital-preserving options for nearer-term needs, diversified growth portfolios for long-term accumulation, and income-oriented strategies later in life. Most savers will not actively select funds or rebalance their portfolios. As a result, professionally managed default options can play an important role in supporting long-term investment outcomes. Clear governance, Shariah-compliant options where appropriate and investment strategies that evolve as savers' needs change can also help people stay invested over time.

International experience illustrates how these principles can work in practice. Singapore's Central Provident Fund shows how savings can support needs across the life cycle. Early wealth building initiatives, now in place in the United States and in development in Germany and Ireland, seek to establish saving and investment habits before employment begins. The GCC can draw selectively on these approaches, adapting them to the region's labor markets, mobility patterns, Shariah requirements, and existing end of service arrangements.

Together, these approaches can help households build financial security, participate more directly in growth, and add to the region's pool of long-term capital. As the investable opportunity set expands, that capital can support productive investment across public and private markets, strengthening household outcomes and the financing base for national transformation.

Appeal of Hypothetical defined contribution workplace retirement savings plan
(matched 8% contrinution from employer and employee)



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Spotlight

Early wealth building initiatives: the first step in a lifetime savings model

Several markets are taking steps to help people begin building long-term savings before they enter the workforce. In the United States, Trump Accounts went live in July 2026 as child individual investment accounts, with a $1,000 pilot contribution for eligible US citizen children born between 2025 and 2028. Germany's planned Early Start Pension would provide €10 per month into an individual retirement account for eligible children, with the aim of introducing young people to private retirement provision and capital market saving earlier in life. Ireland's Programme for Government commits to exploring a managed savings account for newborns, with an initial state contribution and a focus on family top ups.

These initiatives mark the beginning of a lifetime savings journey: introducing households to regular investment, compounding and market risk before workplace saving begins, and creating an early pathway that can later connect to retail investment, employer savings and retirement provision. Over time, that can help make long-term investment a more familiar part of household financial planning and capital market participation.

Mobilizing institutional and global capital at scale

Larger pools of long-term institutional capital can deepen capital markets, expand the range of investable opportunities, and strengthen the foundations for long-term growth. Their impact will depend on strong governance, investment capability and market structures that support disciplined allocation through cycles.

In the GCC, sovereign wealth funds and other national institutions already play a central role in capital formation, strategic investment, and market development. They have also helped to position the region as an important destination for global capital and built long-term partnerships with international investors. Sovereign institutions can further support local market development by helping to build the region's asset management ecosystem. Initiatives such as PIF's emerging manager programme in Saudi Arabia, alongside efforts by Qatar Investment Authority (QIA) to seed and support local and international managers, can expand investment capability, broaden the range of locally managed strategies and create clearer routes for domestic savings and institutional capital to be deployed into regional opportunities.

Global capital will remain essential alongside a growing domestic investor base. Few capital markets rely solely on domestic sources of capital, and international investors remain important even in mature markets by adding depth, liquidity, and diversification.[16] For the GCC, these flows can complement domestic deployment as workplace savings and retail investment channels build scale. Prolonged regional disruption has further reinforced the value of diversified funding sources and durable international partnerships.

International institutional investors also bring complementary benefits: diversified sources of long-term capital, expertise across private markets, including infrastructure and private debt, and stronger cross-border connectivity. These relationships can support two-way investment flows, allowing global investors to participate in opportunities across the GCC while helping regional institutions and savers diversify internationally.

For the GCC, further attracting global capital on terms that reinforce domestic priorities will require credible pipelines, investable structures, transparent market

16 BlackRock, The Virtuous Cycle: The Global Potential of Capital Markets" https://www.blackrock.com/corporate/literature/whitepaper/global-capital-markets-paper.pdf

Spotlight

Australia's superannuation system: building scale at home and diversifying globally

Australia introduced compulsory superannuation in 1992. Since then, regular contributions have built one of the world's largest pools of retirement capital, reaching A$4.4 trillion by March 2026. Super funds have become major long-term investors in Australian companies, infrastructure, property and private markets, supporting domestic market depth and providing stable capital through economic cycles.

As the savings pool has grown relative to the size of the Australian economy and financial markets, funds have increasingly expanded their international allocations to maintain diversification and access opportunities at sufficient scale. The share of super fund assets invested internationally rose from nearly one third in 2013 to around half in 2024. This has taken place alongside continued substantial investment at home.

Australia shows what deliberate system building can achieve over time: a large and recurring domestic capital base, deeper local markets and institutions with the capability to invest at scale. The presence of those institutions can also attract global partners into Australian infrastructure and private market opportunities. The lesson is to build scale at home while preserving two-way global diversification as the savings pool matures.

infrastructure, and clear rules for foreign investor access. Where these conditions are in place, international investment can complement the domestic capital base, support market depth and liquidity, and help scale investment in long-term national priorities.

Growing investment needs across infrastructure, energy, digital capacity, and strategic supply chains are increasing the importance of putting private capital to work alongside public investment. Regional institutions are already demonstrating how this can work. In Saudi Arabia, the National Infrastructure Fund, a development finance institution supervised by the National Development Fund, uses flexible financing solutions to catalyze private and institutional investment in strategic infrastructure. Its model combines public and private capital, including through co-investment and risk-sharing structures, helping to diversify funding sources, deepen the infrastructure finance market and accelerate projects supporting Vision 2030. In Abu Dhabi, L'IMAD offers a complementary example of how a sovereign investment platform can organize long-term capital around domestic capability and strategic sectors.

Co-investment platforms, strategic partnerships, and co-GP structures can build on these models by enabling domestic and international investors to participate alongside national institutions. These arrangements can diversify sources of capital, share risk, and help translate national priorities into investable opportunities. Origination and financing models, including co-underwriting, can also reduce execution friction and support a more consistent pipeline of projects.

Growing pools of domestic long-term capital can complement sovereign institutions by broadening the investor base, strengthening local market depth, and channeling more capital into productive investment. Strong governance, investment capability, and the tools to allocate through cycles will be essential to realizing that potential.

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Spotlight

GCC infrastructure investment: mobilizing public and private capital

Growing investment requirements across infrastructure, energy, digital networks and strategic supply chains are increasing the importance of mobilising private capital alongside public investment. Private capital has already played a role in supporting GCC energy infrastructure, including alongside national oil companies and sovereign institutions, with recent transactions across Kuwait, Saudi Arabia, the UAE and Bahrain involving pipelines, gas infrastructure and related energy assets.

These transactions demonstrate how private capital can broaden funding sources, support capital recycling and provide long-term financing for infrastructure aligned with national economic priorities. As investment needs expand beyond energy into areas such as transport, digital infrastructure, housing, logistics and social infrastructure, the development of dedicated investment platforms may become increasingly important in facilitating the efficient deployment of long-term capital.

Abu Dhabi's L'IMAD provides one example of a sovereign-backed platform designed to channel investment towards domestic infrastructure capabilities and strategic sectors, illustrating a potential model for organising long-term capital around national development objectives.

That makes execution on market depth, liquidity, and connectivity the bridge between stronger savings systems and larger-scale institutional investment. Three practical priorities follow:

- **First, broaden the investable supply.** GCC markets can support larger pools of long-term capital by accelerating high-quality listing pipelines, strengthening governance and disclosure expectations, increasing free float over time where appropriate, improving research coverage and supporting index eligibility. Recent reforms in Qatar and Kuwait are strengthening listing and local-currency debt market frameworks.[17] The opportunity set itself must also diversify. Alongside established income generating issuers, a broader pipeline of growth-oriented companies would give investors greater choice and help build the next generation of regional champions. A deeper institutional investor base can support this broader issuer mix by bringing the expertise to assess long-term earnings potential, while clearer routes for private companies and infrastructure projects to access market-based financing would further expand the opportunity set available to savers and institutions.

- **Second, deepen secondary market tools.** Institutional participation depends on liquidity, reliable execution and the ability to manage risk. Continued development of derivatives, hedging tools and market making incentives, alongside clear legal and regulatory frameworks governing securities lending and, where appropriate, short selling, can improve liquidity and price discovery while reducing the liquidity premium attached to the market. The wider framework should address disclosure, insider information, market abuse, settlement, off-market transfers and investor protection.

- **Third, lower cross-border friction.** Attracting global capital will require efficient foreign investor access and onboarding, clear tax treatment, reliable settlement, stronger post-trade connectivity and greater transparency on market quality. It will also require practical routes for cross-border fund and product distribution, including local registration, private placement, institutional marketing exemptions and fund passporting where available. Recent reforms illustrate the progress being made: Saudi Arabia's 2026 removal of the Qualified Foreign Investor and swap frameworks represents a significant foreign investor access reform, while developments in the DIFC, ADGM and Kuwait show how fund access and distribution rules are also evolving.

A forthcoming series of papers will examine these priorities in greater depth, including the market structure and cross-border reforms needed to deepen liquidity, broaden access, and strengthen connectivity across GCC markets.

When these priorities advance together, GCC markets can finance national transformation, enable households to share more directly in the growth they help create and give global investors durable reasons to participate in the region's next chapter.

17 Qatar Financial Markets Authority (2025), Board Decision No. 8 of 2025: Offering and Listing, and Mergers and Acquisitions Rules; State of Kuwait (2025), Decree-Law No. 60 of 2025 on Financing and Liquidity.



Conclusion

The GCC now has a clear opportunity to turn capital market development into a central engine of national transformation, household financial security, and long-term regional competitiveness.

The foundations are strong: sovereign wealth funds provide scale and credibility; national investment strategies are creating long-term opportunities across infrastructure, energy, logistics, digital capacity and strategic sectors; and emerging savings and investment pathways can broaden the domestic capital base by helping citizens and residents participate more consistently in long-term investment.

Reforms to long-term savings, investable supply, market infrastructure, and cross-border access should move together, so that growing pools of capital are matched by credible opportunities, resilient market infrastructure and the confidence needed for domestic and international investors to allocate through cycles.

This is the next chapter for GCC capital markets: moving from strong foundations to connected ecosystems that finance national priorities, deepen local participation, and attract durable global capital. Many of the building blocks are already in place. The task now is to connect them with urgency and discipline, so that the region's next phase of growth is financed by, and shared with, the citizens and residents who will build it.

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Want to know more? Contact **middleeastbusiness@blackrock.com**

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