

UAE Budget

Overview

2026

United Arab Emirates



Overview

The United Arab Emirates has approved its federal budget for 2026 with total estimated revenues and expenditures of **AED 92.4 billion (USD 25.2 billion)**, maintaining a balanced fiscal stance for the fourth consecutive year. The budget, endorsed by the UAE Cabinet under the chairmanship of **His Highness Sheikh Mohammed bin Rashid Al Maktoum**, underscores the nation’s commitment to sustainable growth, fiscal prudence, and alignment with **UAE Vision 2031**.

The 2026 budget prioritizes **social development, pensions, government affairs, and financial investments**, while also advancing infrastructure and innovation objectives that underpin the UAE’s diversification strategy. This approval marks the final year of the **2022–2026 federal financial plan**, reflecting continuity in efficient governance and economic stability.

Fiscal Overview

The **AED 92.4 billion** federal budget remains balanced between revenues and expenditures, demonstrating disciplined fiscal management amid global economic fluctuations. According to official Cabinet announcements, the 2026 allocations are distributed across several key sectors:

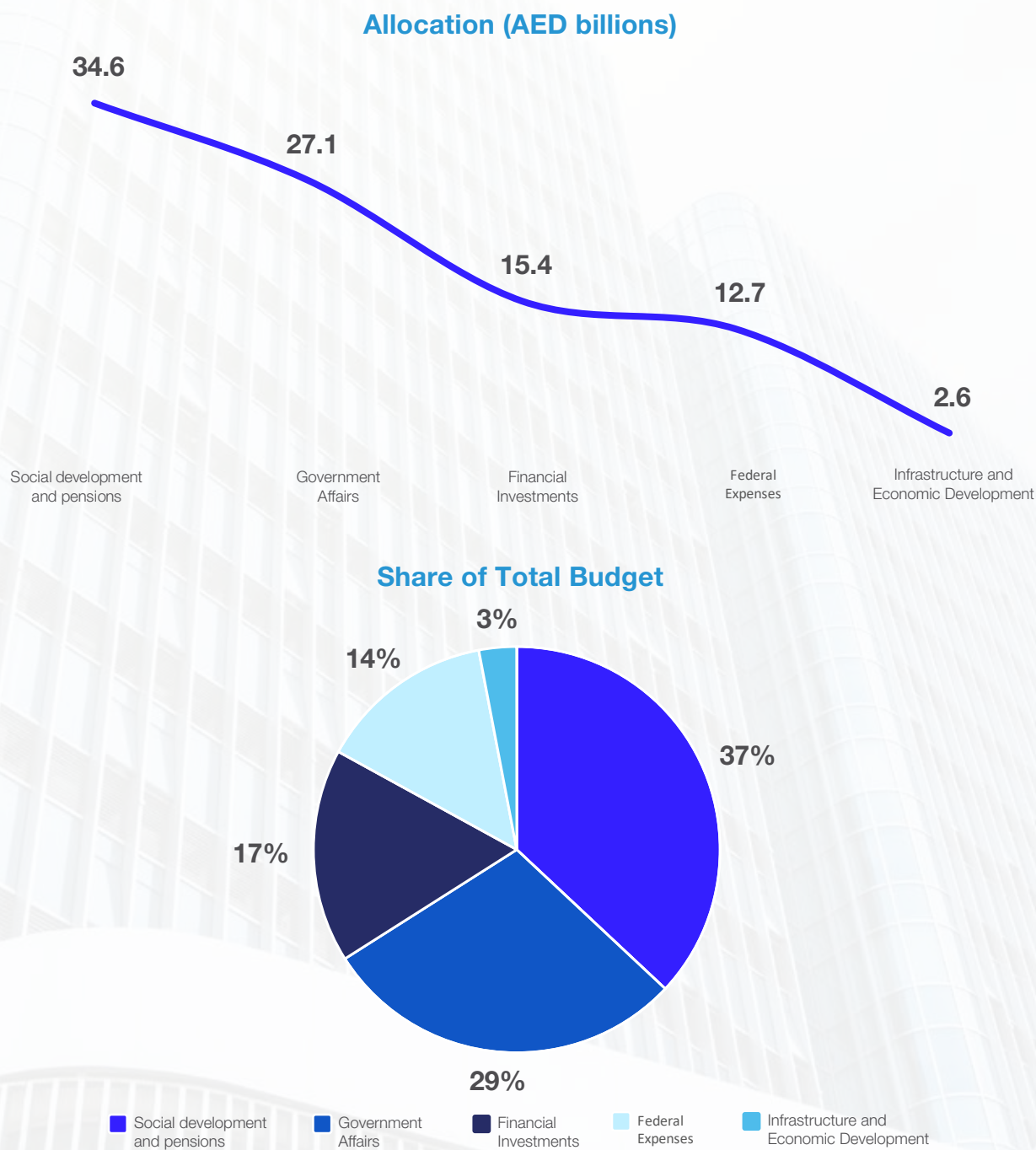
Sector	Allocation (AED billions)	Share of Total Budget
Social development and pensions	34.6	37%
Government affairs	27.1	29%
Financial investments	15.4	17%
Federal expenses	12.7	14%
Infrastructure and economic development	2.6	3%



UAE Federal Budget 2026 – Sectoral Distribution

The budget’s composition highlights a continued focus on **human and social development**, which collectively accounts for over one-third of total spending. Notably, allocations for **government affairs and financial investments** underscore the UAE’s intent to enhance administrative efficiency, strengthen national institutions, and support long-term fiscal returns through prudent capital deployment.

Additionally, the UAE Cabinet ratified **35 international agreements and memoranda of understanding** across economic and cooperation domains, further reinforcing the country’s leadership in global trade, sustainable partnerships, and regional integration.

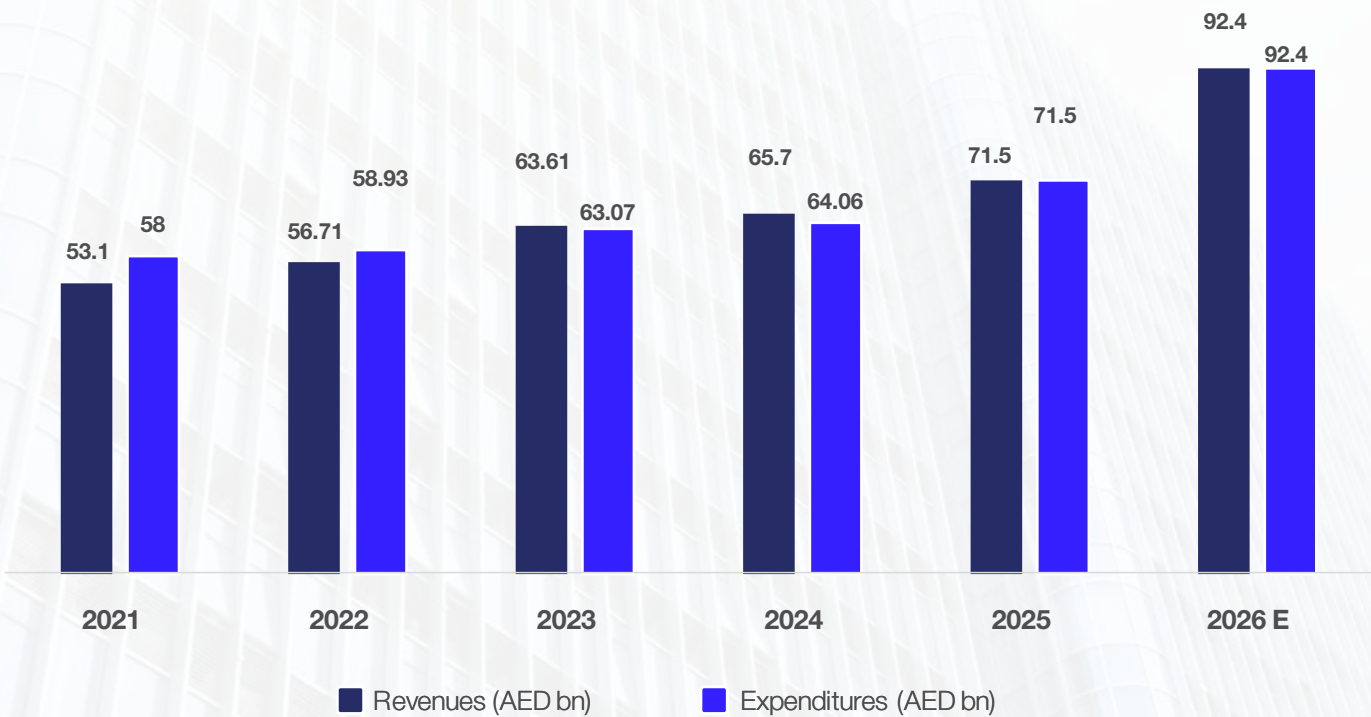


Gap Between Revenues and Expenditures (2021–2026)

From 2021 to 2026 the UAE has demonstrated steady progress toward fiscal balance and sustainable growth. Revenues increased from **AED 53.1 billion** in 2021 to **AED 92.4 billion** in 2026, while expenditures followed the same disciplined path. The fiscal deficit of **AED 5 billion** recorded in 2021 narrowed to **AED 0.54 billion** by 2023, achieving full balance in 2024 and 2025, and sustaining that balance through 2026.

This progression reflects the strength of the UAE’s fiscal framework, supported by diversified revenue streams, efficient expenditure management, and strong investment returns from government entities. Maintaining equilibrium over multiple years while expanding the total budget highlights the country’s ability to finance long-term development, enhance public services, and advance Vision 2031 goals without compromising financial stability.

Gap Between Revenues and Expenditures (Deficit/ Surplus)



UAE Federal Budget Comparison

– 2025 vs 2026

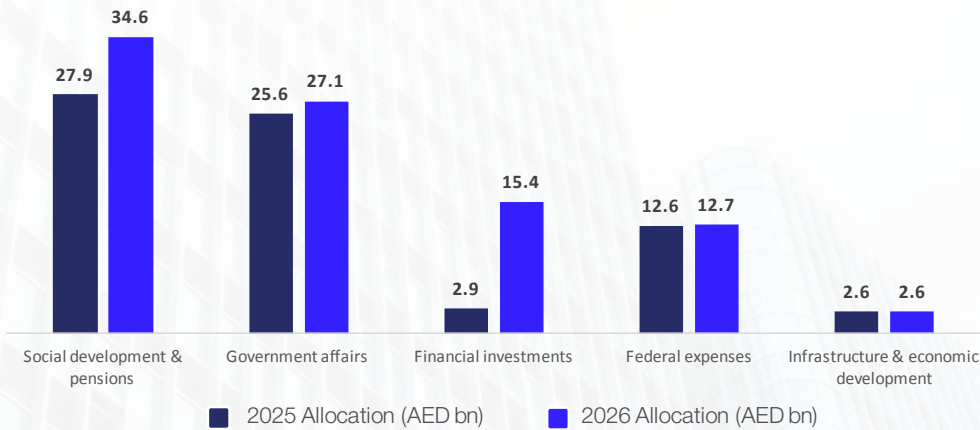
Total federal budget rose from AED 71.5 bn (2025) to AED 92.4 bn (2026) — an increase of approximately 29%.

The **share of social sectors** remains dominant, but **financial investments** saw the most pronounced jump, signaling stronger capital deployment into growth-linked assets and sovereign investments.

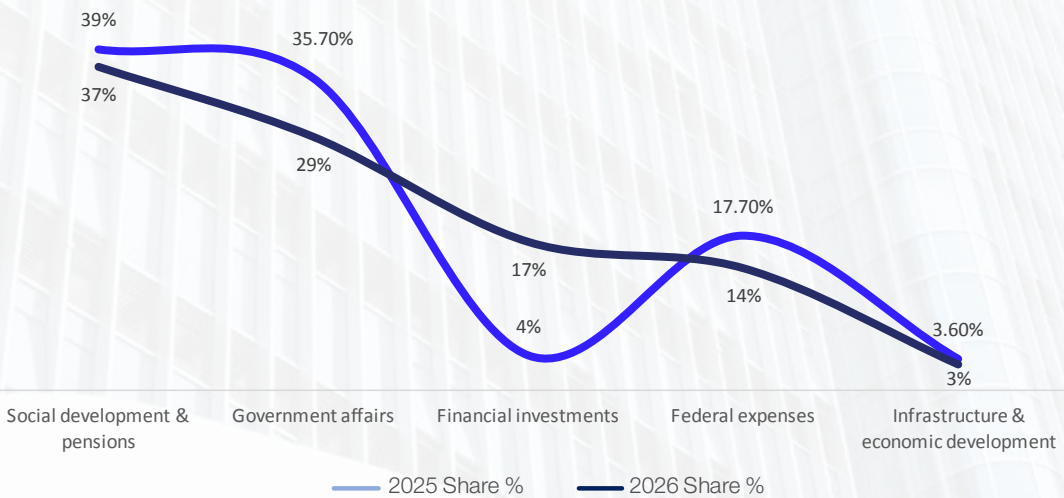
Government affairs spending growth reflects continued expansion of digital and administrative reforms under Vision 2031.

Infrastructure spending remains proportionally small at the federal level, as large-scale projects are managed primarily by individual emirates (especially Abu Dhabi & Dubai).

Sector-wise Budget Allocation Comparison



Sector-wise Budget Composition Comparison



Strategic Priorities and Policy Focus

The 2026 budget reinforces the UAE's long-term national vision — transforming into a diversified, innovation-led, and sustainable economy by 2031. Key spending priorities reflect this policy orientation:



01

Social Development and Pensions:

Continued investment in welfare programs, education, and health services aimed at improving quality of life and supporting citizens' wellbeing.

02

Government Affairs:

Strengthening institutional capacity, digital governance, and administrative efficiency.

03

Financial Investments:

Channeling federal resources into strategic sectors, state-linked entities, and economic projects that generate recurring value.

04

Infrastructure and Economic Development:

Enhancing connectivity, logistics infrastructure, and smart urban development while maintaining fiscal control.

05

Federal Expenses:

Sustaining efficient operation of ministries and autonomous agencies to support national service delivery.

Through these allocations, the UAE demonstrates its commitment to balanced growth — investing in people and productivity while consolidating its fiscal resilience and global competitiveness.

Macroeconomic and Regional Context

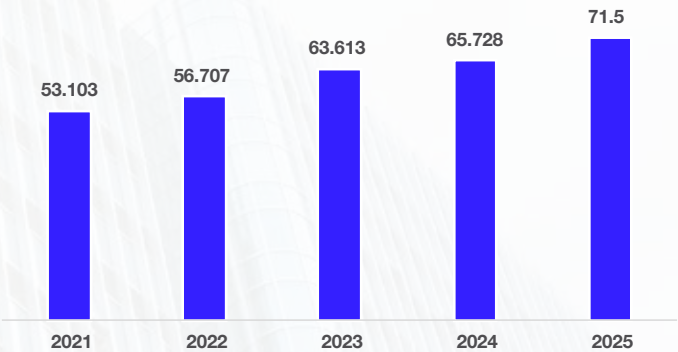
The UAE’s 2026 budget arrives amid a dynamic regional landscape characterized by fiscal recalibration, diversification efforts, and fluctuating oil prices. The country’s ability to **sustain balanced federal budgets** over successive years distinguishes it as one of the most fiscally disciplined economies in the Middle East.

Non-oil GDP growth is projected to remain robust, driven by tourism, logistics, technology, and renewable energy sectors. The ongoing impact of corporate taxation (introduced in 2023), combined with digital tax administration and improved compliance systems, continues to strengthen non-oil revenues and reduce fiscal reliance on hydrocarbons.

Compared to regional peers, the UAE’s approach remains conservative yet strategic — prioritizing long-term resilience and capital efficiency over short-term expenditure expansion.

The sustained growth in revenues highlights the UAE’s commitment to diversification and effective financial management, reinforcing its ability to fund development priorities and maintain fiscal stability in line with the objectives of Vision 2031.

Growth in Total Approved Federal Revenues, 2021 - 2025



Macroeconomic and Regional Context

The UAE's 2026 federal budget sends a strong signal of policy stability and economic foresight, reinforcing the country's attractiveness for local and international investors.

Key implications include:



Sustained Infrastructure Investment:

The UAE's 2026 federal budget sends a strong signal of policy stability and economic foresight, reinforcing the country's attractiveness for local and international investors.



Enhanced Investor Confidence

Balanced budgeting and efficient fiscal management provide predictability for investors and financial markets.



Support for Innovation and SMEs:

Strategic financial allocations encourage entrepreneurship and technology adoption, aligning with the government's digital transformation agenda.



Expansion of Public-Private Partnerships (PPPs):

Opportunities for private sector involvement in renewable energy, housing, and education are expected to increase under clear fiscal frameworks.

These measures collectively enhance the UAE's position as a regional hub for trade, capital, and innovation, while ensuring that fiscal sustainability and inclusivity remain central to growth.

Conclusion

The **UAE Federal Budget 2026** encapsulates the country's enduring principles of fiscal prudence, social investment, and economic diversification. As the concluding year of the 2022–2026 fiscal cycle, it reaffirms a national commitment to effective governance, future-ready infrastructure, and innovation-led growth.

By maintaining fiscal balance while deepening social and economic investment, the UAE continues to advance toward its **Vision 2031 goals** — establishing itself as a model of sustainable and inclusive development in the region.



2025

Contact Us

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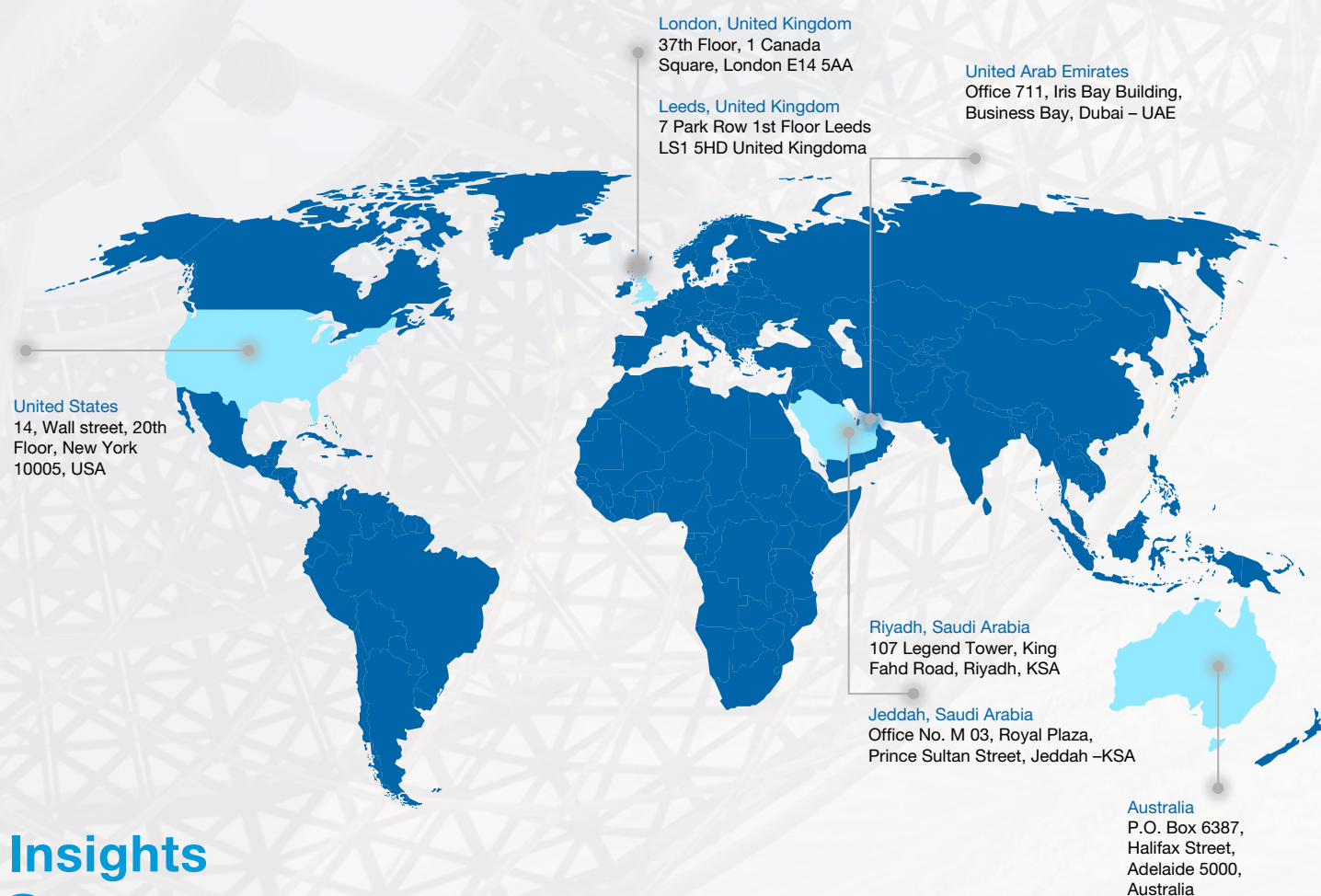
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