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Financial and operational performance of GCC equity stock exchanges: A comparative study from 2020 to 2025

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Abstract

Stock exchanges in the Gulf Cooperation Council (GCC) have grown considerably in recent years, evolving into important platforms for capital formation, economic diversification, and regional investment. This study compares the financial and operational performance of the seven GCC equity stock exchanges, namely the Abu Dhabi Securities Exchange (ADX), Bahrain Bourse (BHB), Boursa Kuwait (BK), Dubai Financial Market (DFM), Muscat Stock Exchange (MSM), Qatar Stock Exchange (QSE), and Saudi Exchange (Tadawul), over the period from 2020 to 2025. Using secondary data from the World Federation of Exchanges (WFE), the analysis covers six performance indicators, market capitalisation, value of stocks traded, number of listed companies, number of trading days, number of transactions, and new listings, over a window that captures the pandemic recovery period, index inclusion reforms, and a wave of new listings across the region. The findings confirm the dominant position of the Saudi Exchange (Tadawul) across almost all indicators, while revealing a remarkable growth trajectory for the Abu Dhabi Securities Exchange, which emerged as the second ranked exchange by 2025 after recording market capitalisation growth of over 323 per cent since 2020. The Dubai Financial Market also shows consistent upward momentum, while performance gaps are identified in the Bahrain Bourse and, to a lesser extent, the Qatar Stock Exchange. The study proposes targeted suggestions for improvement, including measures to revive listing activity, strengthen liquidity, and expand foreign investor access, and it contributes an updated comparative framework to the literature on GCC capital markets.

Keywords: GCC Stock Exchanges, Gulf Cooperation Council, Comparative Performance, Market Capitalisation, Trading Liquidity, New Listings, Capital Market Development

JEL Classification: G10, G15, G20

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1. Introduction

Financial markets are among the most important institutions in any modern economy. Stock exchanges, in particular, play a central role in channelling savings into productive investments, facilitating price discovery, ensuring liquidity, and supporting economic growth (Levine & Zervos, 1998; Beck & Levine, 2004; WFE, 2025). A well-functioning stock market reduces the cost of capital for companies and gives investors the opportunity to build diversified portfolios that can generate long-term wealth. Scholars and policymakers worldwide have recognised that the depth and breadth of a country's capital market is closely connected to the pace of its economic development (Torre et al., 2006; Gizaw et al., 2024; Iwasaki & Ono, 2024). The global equity market has shown impressive growth over the period from 2020 to 2025 (Table 1). Total global market capitalisation grew from approximately USD 106.8 trillion in 2020 to nearly USD 152.1 trillion in 2025, while the number of transactions rose from 38.3 billion to 65.2 billion. The value of stocks traded reached approximately USD 205.5 trillion in 2025, the highest ever recorded by WFE member exchanges. These numbers reflect the growing role of equity markets as a vehicle for economic activity, technological advancement, and investor participation worldwide (WFE, 2025).

Table 1. Global Equity Market - Key Indicators, 2020 to 2025

Parameter (WFE Member Exchanges)	2020-2021 Average	2022-2023 Average	2024-2025 Average
Market Capitalisation (USD '000,000)	113,853,725	106,722,813	137,435,365
Value Traded (USD '000,000)	150,922,737	137,328,785	176,044,942
Number of Transactions ('000)	42,167,655	47,328,556	59,846,436
Listed Companies	59,402	58,063	58,019
New Listings	3,073	2,515	2,555

Source: Compiled from World Federation of Exchanges (WFE), 2025.

Within this growing global environment, the GCC region has also witnessed notable developments. The six member countries of the GCC, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, operate seven major equity exchanges that serve as the backbone of regional capital markets. These markets have undergone significant structural reforms, including expanded access for foreign investors, index inclusions by MSCI and FTSE Russell, regulatory upgrades, and the digital transformation of trading infrastructure. The region's collective market capitalisation exceeded USD 4.3 trillion in 2023, reflecting a market that is

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increasingly integrated with global capital flows. Despite this progress, the performance levels across the seven GCC exchanges vary considerably. Some exchanges have achieved remarkable growth, while others continue to face challenges related to liquidity, listing activity, and market depth. A comparative analysis of these seven exchanges across the 2020 to 2025 period is both timely and relevant for academics, policymakers, investors, and exchange managers who wish to understand where each market stands and what can be done to improve performance. This study examines the comparative financial and operational performance of all seven GCC equity exchanges for 2020 to 2025, using six quantitative indicators. The objective is to identify relative strengths and weaknesses and to offer practical suggestions for improvement. The paper is structured as follows: Section 2 provides an overview of GCC stock markets; Section 3 reviews the relevant literature; Section 4 describes the methodology; Section 5 presents the analysis and discussion; Section 6 identifies performance gaps and offers suggestions; and Section 7 concludes the paper.

2. Overview of GCC Stock Markets

The Gulf Cooperation Council was formed in 1981 as a political and economic alliance among six Arab states. GCC economies are characterised by significant oil revenues, large sovereign wealth funds, a young and growing population, and an active government role in economic development. Over the past couple of decades, these economies have made deliberate efforts to diversify, investing in sectors such as tourism, finance, logistics, and manufacturing. Stock markets have been central to this diversification agenda. Each of the seven GCC exchanges has its own history, regulatory framework, and development path. The following sub-sections provide brief profiles.

2.1 Abu Dhabi Securities Exchange (ADX)

Established in November 2000, the Abu Dhabi Securities Exchange experienced extraordinary growth during the study period, with market capitalisation growing from USD 202,174 million in 2020 to USD 854,826 million in 2025, a gain of over 323 per cent in six years. This expansion was driven by the listing of large government-related entities, a vigorous IPO pipeline, rising valuations, and growing international investor participation. ADX ranked second among all GCC exchanges on several parameters by 2025, making it one of the region's greatest success stories in recent years.

2.2 Bahrain Bourse (BHB)

Bahrain Bourse replaced the Bahrain Stock Exchange in 2010. It is the smallest GCC exchange by all key parameters. As of 2025, BHB had 41 listed companies and a market capitalisation of approximately USD 21,308 million. The exchange has added only one new listing over the entire study period and continues to face persistent challenges of low trading volumes and limited investor participation.

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2.3 Boursa Kuwait (BK)

Boursa Kuwait, formerly known as the Kuwait Stock Exchange (KSE), is one of the oldest exchanges in the GCC, partially privatised in 2014. As of 2025, it listed 140 companies with a market capitalisation of USD 172,126 million. The exchange is notable for high transaction activity, but its number of listed companies has declined over the study period, which is a concern for market depth.

2.4 Dubai Financial Market (DFM)

The Dubai Financial Market commenced operations in March 2000 and is publicly listed, one of the few self-listed exchanges in the world. While smaller than ADX in market capitalisation, DFM showed consistent growth across the period, with market capitalisation rising from USD 92,658 million in 2020 to USD 256,612 million in 2025. DFM benefits from Dubai's position as a global trade and finance centre, and its diverse listing base includes real estate, banking, and transport companies.

2.5 Muscat Stock Exchange (MSM)

The Muscat Stock Exchange was established in 1988 and serves as Oman's primary capital market. Its market capitalisation almost doubled from USD 16,481 million in 2020 to USD 41,304 million in 2025. Transaction volumes also grew strongly, rising from 103,952 in 2020 to 672,123 in 2025. However, it remains one of the smaller GCC exchanges and faces challenges in listing activity and trading liquidity.

2.6 Qatar Stock Exchange (QSE)

The Qatar Stock Exchange was established in 1995, with active trading beginning in 1997. Despite Qatar's enormous per capita wealth, the QSE's market capitalisation has remained relatively stable at USD 165-185 billion throughout the study period. As of 2025, QSE had 54 listed companies, and new listing activity has been very limited, with only two new listings over the entire 2020 to 2025 period.

2.7 Saudi Exchange (Tadawul)

The Saudi Exchange, known as Tadawul, is the largest stock exchange in the Arab world and among the top twenty globally by market capitalisation. Organised equity trading in Saudi Arabia dates to 1984, but the current electronic platform was launched in 2001. As of 2025, Tadawul listed 392 companies with a market capitalisation of approximately USD 2.36 trillion. Saudi Arabia's inclusion in the MSCI Emerging Markets Index in 2019 and its Vision 2030 reform agenda have attracted significant foreign institutional investment and supported the exchange's continued growth in listings and transaction volume.

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3. Literature Review

A stock exchange is a regulated component of the capital market that facilitates the issuance of securities in the primary market and their subsequent trading in the secondary market, thereby enabling capital formation and liquidity for investors (Hostetter, 2015; Petry et al., 2023). Research on stock exchanges has covered topics such as market efficiency, integration, liquidity, performance, and structural reform. This section reviews key literature relevant to the present study.

3.1 Role of Stock Markets in Economic Development

The relationship between financial market development and economic growth is well-established. Levine and Zervos (1998) demonstrated that stock market liquidity is a strong predictor of long-run economic growth. Financial development reduces the cost of external finance and facilitates industrial growth (Gizaw et al., 2024; Iwasaki & Ono, 2024). Beck and Levine (2004) confirmed that both banks and equity markets independently and positively influence economic growth. Torre et al. (2006) further showed that stock market development under globalisation can bring lasting gains through improved resource allocation and reduced transaction costs. These findings underline that a deeper, more liquid equity market is both a signal and a driver of economic progress.

3.2 GCC Markets: Efficiency and Integration

Empirical studies on GCC stock markets have frequently examined the Efficient Market Hypothesis (EMH). Early research often found that GCC markets were not weak-form efficient (Jamaani & Roca, 2015). However, more recent studies indicate a trend toward greater informational efficiency. Al-Faryan and Dockery (2021) found that UAE markets are trending toward weak-form efficiency, even as some long-range dependence persists. The Bahrain Bourse has been identified as neither fully developed nor informationally efficient, and it requires stronger regional networking to improve liquidity and transparency (Hawaldar et al., 2017).

On market integration, Alotaibi and Mishra (2017) found that the Saudi and UAE equity markets have become increasingly integrated with regional and global financial markets, driven by market liberalisation, foreign investor access, and growing participation in international benchmark indices, particularly the MSCI World, following the 2014 oil price collapse and Saudi Arabia's MSCI inclusion. By contrast, QSE remained relatively insulated, with weak linkages to global benchmarks. This heterogeneity within the GCC has important implications for international portfolio diversification strategies.

3.3 Oil Price Effects and Volatility

GCC equity markets are inherently linked to global energy markets. Antonakakis et al. (2018) documented significant volatility transmission from oil prices to GCC stock indices, running

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primarily from oil to equities. Arouri et al. (2011) found that lagged oil price returns positively affected stock returns in Oman and Qatar, while the relationship was less consistent in Bahrain. Yousaf et al. (2022) observed that GCC stock markets are highly sensitive to major global events, such as the Global Financial Crisis and the COVID-19 pandemic, as volatility spillovers and market interconnectedness intensify during turbulent periods. Their findings highlight the importance of developing deeper and more resilient capital markets capable of absorbing external shocks.

3.4 Comparative Performance and Investor Benefits

Chinmaya et al. (2026) found that the UAE market delivered the highest return performance among GCC peers, followed by Saudi Arabia, while Kuwait and Oman showed inconsistent risk-return trade-offs. For investors seeking international diversification, GCC markets offer relatively low correlation with major global markets, though this benefit is diminishing as integration deepens (Alotaibi & Mishra, 2017). Bahloul et al. (2017) showed that Islamic equity indices, including those from GCC markets, provide meaningful diversification benefits and exhibit lower correlations than many conventional equity benchmarks, particularly during periods of financial stress. Economides (1993) and Kothari (2008) noted that investors benefit from markets that offer a broad selection of financial instruments, transparent pricing, and effective liquidity.

3.5 Structural Reform and Exchange Industry

The global trend toward demutualisation, converting exchanges from non-profit, member-owned organisations to for-profit, investor-owned corporations, has influenced GCC markets (Aggarwal & Dahiya, 2006; Jain et al., 2024). This transition has brought greater transparency and commercial accountability. Hasan et al. (2012) showed that exchanges that combine growth-oriented strategies with cost efficiency create higher shareholder value. Research on stock exchange mergers has shown that they generate significant economies of scale, leading to lower trading costs, improvements in technological infrastructure, and greater market efficiency (Philips et al., 2014; Darné et al., 2016). Paltrinieri (2015) and Elshandidy et al (2025) pointed out that the main obstacles to further development in Arab markets are the weak regulatory frameworks, macroeconomic vulnerability, and a limited pool of institutional investors - challenges that continue to be relevant for smaller GCC exchanges today.

4. Methodology

This study is based entirely on secondary data. Data were sourced from the World Federation of Exchanges (WFE) statistics portal, which provides verified and consistent exchange-level data for its member exchanges. The study covers the six-year period from 2020 to 2025. This window was deliberately chosen because it captures the full post-COVID recovery cycle, the major wave of GCC regulatory reforms and index inclusions, and the most recent listing activity through 2025.

Six performance indicators are used for the comparative analysis:

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1. Market Capitalisation (USD million) — total market value of all listed equity; a measure of exchange size and investor confidence.
2. Value of Stocks Traded (USD million) — total value of shares bought and sold; a measure of market liquidity.
3. Number of Listed Companies — total equity issuers; a measure of market breadth and listing attractiveness.
4. Number of Trading Days — operational days per year; a measure of market accessibility and continuity.
5. Number of Transactions — individual trade executions; a measure of investor participation and market depth.
6. New Listings — companies newly listed each year; a measure of the exchange's attractiveness as an IPO venue.

Annual data from 2020 to 2025 are presented for each exchange and each indicator. Averages (six-year arithmetic mean), year-on-year trends, percentage changes, and composite rankings are used as analytical tools. A composite ranking table is presented to give an integrated picture of relative performance. The study, while acknowledging genuine strengths, also identifies specific areas where each exchange can improve.

5. Analysis and Discussion

The following sections present the analysis of each of the six performance indicators, supported by data tables for 2020 to 2025. All figures are compared across all seven GCC exchanges.

5.1 Market Capitalisation

Market capitalisation is the most widely used indicator of a stock exchange's size and economic significance. It reflects total investor valuation of listed equity and is closely linked to a country's wealth, economic activity, and investor confidence (Torre et al., 2006; Gizaw et al., 2024; Iwasaki & Ono, 2024).

Table 2. Market Capitalisation of GCC Stock Exchanges (USD Million), 2020 - 2025

Stock Exchange	2020	2021	2022	2023	2024	2025	Average	Rank
ADX	202,174	442,774	714,803	807,129	816,385	854,826	639,682	2
BHB	24,608	28,688	30,262	20,606	20,408	21,308	24,313	7
BK	105,987	136,620	152,683	131,135	141,481	172,126	140,005	5

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DFM	92,658	112,287	158,760	187,041	237,777	256,612	174,189	3
MSM	16,481	18,903	22,268	23,293	32,054	41,304	25,717	6
QSE	165,394	183,299	165,907	171,552	170,285	176,909	172,224	4
Tadawul	2,429,102	2,671,331	2,638,591	3,015,365	2,727,001	2,358,620	2,640,002	1
Total	3,036,404	3,593,903	3,883,273	4,356,120	4,145,391	3,881,704	3,816,133	

Source: Compiled from World Federation of Exchanges (WFE), 2025

The Saudi Exchange (Tadawul) retains an overwhelming dominance in market capitalisation throughout the study period. Its six-year average of USD 2,640,002 million is approximately 4.1 times that of ADX, the second-ranked exchange. However, it is important to note that Tadawul's capitalisation dipped in 2025 from its 2023 peak, partly reflecting softness in the oil market and broader macroeconomic adjustments. Saudi Arabia's market remains, nonetheless, the uncontested anchor of GCC equity markets. The most striking performance belongs to the Abu Dhabi Securities Exchange (ADX). Its market capitalisation grew from USD 202,174 million in 2020 to USD 854,826 million in 2025, a 323 per cent increase over six years. This is the fastest growth rate of any GCC exchange and is largely attributable to the listing of large government-related entities, including ADNOC Gas, ADNOC Distribution, Borouge, and several others, as well as rising valuations and strong investor demand, both domestic and international. This growth positions the UAE, through ADX and DFM together, as the most dynamic market ecosystem in the GCC. The Dubai Financial Market grew from USD 92,658 million in 2020 to USD 256,612 million in 2025, a growth of approximately 177 per cent. DFM overtook QSE in market capitalisation during this period and now ranks third. Despite Qatar's per-capita wealth, the Qatar Stock Exchange has shown essentially flat market capitalisation over the past six years, ranging between USD 165 and USD 185 billion, with no consistent upward trend. Boursa Kuwait grew from USD 105,987 million to USD 172,126 million, a reasonable performance, though constrained by the declining number of listed companies. Muscat Stock Exchange nearly doubled its capitalisation from USD 16,481 million to USD 41,304 million, the highest percentage growth among smaller exchanges. Bahrain Bourse has stagnated at around USD 20 to 24 billion throughout the period and has registered the lowest average market capitalisation among the seven exchanges.

5.2 Value of Stocks Traded

The value of stocks traded is a direct measure of market liquidity and investor activity. A high trading value indicates that securities can be bought and sold readily without large price impacts,

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thereby reducing the cost of investing and attracting a wider range of participants (Levine & Zervos, 1998; Nielsson, 2009).

Table 3. Value of Stocks Traded - GCC Stock Exchanges (USD Million), 2020 - 2025

Stock Exchange	2020	2021	2022	2023	2024	2025	Average	Rank
ADX	19,812	100,546	122,157	85,693	92,652	104,920	87,630	2
BHB	593	559	450	558	848	1,642	775	7
BK	37,366	44,923	48,147	33,810	47,137	86,008	49,565	3
DFM	17,728	19,126	24,385	26,810	28,897	46,577	27,254	5
MSM	1,041	1,676	2,314	2,679	3,266	13,021	3,999	6
QSE	26,046	30,966	43,748	34,405	29,237	28,960	32,227	4
Tadawul	485,419	593,308	447,514	348,191	476,715	336,817	447,994	1
Total	588,005	791,104	688,716	532,146	678,751	617,945	649,445	

Source: Compiled from World Federation of Exchanges (WFE), 2025

The Saudi Exchange leads with a six-year average trading volume of USD 447,994 million. This is driven by a large retail investor base, high listing diversity, widespread mobile trading adoption, and the inflows triggered by MSCI and FTSE index inclusion. In 2021, Tadawul's trading value peaked at USD 593,308 million, confirming its position as the most liquid equity market in the Arab world. Abu Dhabi Securities Exchange ranks second, with a strong jump from USD 19,812 million in 2020 to USD 104,920 million in 2025, a more than fivefold increase. This leap was driven by the same wave of large new listings that boosted market capitalisation. The year 2022 was particularly strong, with trading value reaching USD 122,157 million, as new listings attracted fresh investor interest. Boursa Kuwait ranks third, with a six-year average of USD 49,565 million. Notably, its 2025 trading value surged to USD 86,008 million, its highest in the study period, suggesting that the market is experiencing increased investor activity even as its listed company count declines. This is a positive sign worth monitoring.

Qatar Stock Exchange ranks fourth with a six-year average of USD 32,227 million. The year 2022 saw QSE's highest trading value at USD 43,748 million, likely influenced by the FIFA World Cup 2022 and associated investor attention. Dubai Financial Market ranks fifth, with average annual

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trading of USD 27,254 million, rising steadily to USD 46,577 million in 2025. The Muscat Stock Exchange showed a very strong 2025 result of USD 13,021 million, a sharp increase from its earlier levels, which is encouraging for a smaller market. Bahrain Bourse remains at the bottom of this ranking with a six-year average of only USD 775 million, though it too registered its highest trading value of USD 1,642 million in 2025.

5.3 Number of Listed Companies

The number of listed companies is a measure of market breadth and the exchange's attractiveness as a listing venue. Companies prefer to list in markets with many peers, as this improves price discovery, reduces the cost of capital, and increases investor familiarity (Chemmanur et al., 2008; Hostetter, 2015; Petry et al., 2023).

Table 4. Number of Listed Companies - GCC Stock Exchanges, 2020 - 2025

Stock Exchange	2020	2021	2022	2023	2024	2025	Average	Rank
ADX	70	83	90	100	106	104	92	4
BHB	43	42	43	42	41	41	42	7
BK	171	167	155	151	143	140	155	2
DFM	63	63	68	63	64	66	65	5
MSM	111	110	110	109	109	108	110	3
QSE	47	52	47	51	52	54	51	6
Tadawul	207	224	269	310	353	392	293	1

Source: Compiled from World Federation of Exchanges (WFE), 2025

The Saudi Exchange leads decisively, growing from 207 companies in 2020 to 392 in 2025, an increase of 185 companies, or nearly 89 per cent, over six years. This reflects the outstanding success of Saudi Arabia's Vision 2030 capital market strategy, which has actively encouraged private sector companies, SMEs, and family-owned businesses to access public markets. The dedicated Nomu parallel market, which offers a lighter regulatory pathway for smaller companies, has also played an important role in this expansion. Boursa Kuwait ranks second with 140 companies, but the six-year trend is declining, from 171 in 2020 to 140 in 2025. This is a structural concern that warrants attention from regulators and exchange management. Muscat Stock Exchange holds the third position with 108 to 111 companies throughout the period, showing admirable stability. Abu Dhabi Securities Exchange has grown from 70 companies in 2020 to 104 in 2025, a 49 per cent increase, and now ranks fourth. This growth is closely associated with its broader market development agenda. Dubai Financial Market ranks fifth with 66 companies in 2025, showing only modest growth, while Qatar Stock Exchange has grown slightly from 47 to 54 companies (sixth rank). Bahrain Bourse remains static at 41 companies; its listing count has barely changed over the entire study period, which underlines the urgency of a proactive listing strategy.

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5.4 Number of Trading Days

The number of trading days per year reflects the operational continuity and accessibility of the stock exchange. Greater market accessibility provides investors with more opportunities to execute transactions, which can support trading activity, liquidity, and overall market efficiency (Pagano, 1989; Chordia et al., 2001; Hasan et al., 2012).

Table 5. Number of Trading Days - GCC Stock Exchanges, 2020 - 2025

Stock Exchange	2020	2021	2022	2023	2024	2025	Average	Rank
ADX	251	249	252	251	252	253	251	1
BHB	246	205	246	242	248	245	239	7
BK	242	244	242	242	244	247	244	4
DFM	251	249	252	251	252	252	251	1
MSM	243	246	247	247	244	228	243	5
QSE	202	249	249	250	249	248	241	6
Tadawul	251	250	248	249	250	251	250	3

Source: Compiled from World Federation of Exchanges (WFE), 2025

Abu Dhabi Securities Exchange and Dubai Financial Market jointly hold the top position, both operating approximately 251 to 253 trading days per year. Both UAE exchanges operate on a Monday-to-Friday schedule aligned with global markets and the UAE federal holiday calendar, giving them the highest operational continuity in the GCC. The Saudi Exchange ranks third with approximately 250 days. All remaining exchanges cluster closely around 239-244 trading days, with the differences being relatively minor. The only noteworthy exception is Bahrain Bourse, which recorded only 205 trading days in 2021, likely due to COVID-19-related disruptions and additional public holidays. Its six-year average of 239 days is the lowest in the GCC. While trading days are the most comparable parameter across GCC exchanges, the consistency and predictability of the trading calendar matter to institutional investors who plan their transactions around reliable market access.

5.5 Number of Transactions

The number of transactions is perhaps the most direct measure of investor activity and market participation. Each transaction represents a decision by a buyer and a seller to agree on a price, making this indicator a strong measure of market depth, liquidity, and confidence (Nielsson, 2009).

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Table 6. Number of Transactions - GCC Stock Exchanges, 2020 - 2025

Stock Exchange	2020	2021	2022	2023	2024	2025	Average	Rank
ADX	512,620	1,384,670	2,841,510	3,450,580	4,625,940	5,665,160	3,080,080	4
BHB	19,309	21,015	17,474	17,730	17,014	21,776	19,053	7
BK	2,317,915	3,059,005	2,891,125	2,389,098	3,910,433	6,044,281	3,435,310	2
DFM	977,450	874,460	1,443,820	1,916,000	2,555,020	3,300,330	1,844,513	5
MSM	103,952	151,527	134,475	184,266	257,544	672,123	250,648	6
QSE	1886160	1217440	4130883	4263177	3,671,195	4967840	3,356,116	3
Tadawul	76,973,000	92,259,150	88,564,480	94,692,720	129,660,970	120,113,550	100,377,312	1

Source: Compiled from World Federation of Exchanges (WFE), 2025

The Saudi Exchange is far ahead in this parameter, recording 129,661,000 transactions in 2024 and 120,113,600 in 2025. Its six-year average of approximately 100.4 million transactions per year exceeds the combined volume of all other GCC exchanges, underscoring the vast scale of investor participation in the Saudi market. Boursa Kuwait ranks second with a six-year average of 3,435,310 transactions per year, rising strongly to 6,044,281 in 2025. This demonstrates that despite having fewer listed companies than several peers, Boursa Kuwait maintains a highly active investor community. Qatar Stock Exchange ranks third, with an average of 3,356,116, as transactions surged in 2022–2023 and remained elevated. Abu Dhabi Securities Exchange has achieved one of the most impressive growth rates in this parameter, rising nearly elevenfold from just 512,620 transactions in 2020 to 5,665,160 in 2025. This exceptional rise places ADX fourth overall but signals that, in momentum terms, it is closing the gap with its higher-ranked peers. Dubai Financial Market ranks fifth with 3,300,330 transactions in 2025, up from 977,450 in 2020. Muscat Stock Exchange grew from 103,952 to 672,123 transactions, a sixfold increase that is encouraging for a smaller exchange. Bahrain Bourse remains at the bottom, with approximately 21,776 transactions in 2025, reflecting very limited retail and institutional participation.

5.6 New Listings

New listings are the lifeblood of a stock exchange. They bring fresh capital into the market, expand investor options, and demonstrate the exchange's competitiveness as a listing destination. An active IPO pipeline is also a signal of healthy private sector confidence in the capital markets (Hasan et al., 2012; Philips et al., 2014).

Table 7. New Listings - GCC Stock Exchanges, 2020 - 2025

Stock Exchange	2020	2021	2022	2023	2024	2025	6-year Total
ADX	0	9	9	5	5	2	30
BHB	0	0	0	0	1	0	1
BK	2	1	1	0	0	1	5

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DFM	0	0	3	2	0	0	5
MSM	1	0	1	1	4	1	8
QSE	0	1	0	0	0	1	2
Tadawul	4	12	36	37	41	39	169

Source: Compiled from World Federation of Exchanges (WFE), 2025

The Saudi Exchange has completely dominated GCC new listings during the study period, attracting a total of 169 new companies between 2020 and 2025, more than all other six GCC exchanges combined. The pace of new listings has remained high and consistent, ranging from 36 to 41 per year from 2022 onwards, and 39 in 2025. This extraordinary momentum in listings is the direct result of Saudi Arabia's Vision 2030 agenda, which actively encourages companies, particularly those in diversified, non-oil sectors, to access public markets. Abu Dhabi Securities Exchange ranks second with 30 new listings over the period. Most of these were concentrated in 2021 and 2022, when large government-related entities and high-profile private companies chose ADX as their listing venue. Sustaining and broadening this pipeline beyond government-linked entities will be important for ADX's long-term listing strategy. Muscat Stock Exchange ranks third with 8 new listings, a small number in absolute terms, but one that reflects steady and improving activity for a smaller exchange. The DFM and Boursa Kuwait each attracted 5 new listings. Both exchanges need to develop more proactive listing incentive programmes to stay competitive. Bahrain Bourse and Qatar Stock Exchange each added only 1 and 2 new listings, respectively, over the entire six-year period. This near-complete absence of IPO activity is a serious structural concern that requires urgent attention. Both exchanges need to engage closely with private sector companies, family businesses, and government entities to build a viable listing pipeline.

5.7 Composite Performance Ranking

Table 8 presents a composite ranking of all seven GCC exchanges across the six performance parameters studied. The composite rank reflects each exchange's overall relative standing.

Table 8: Composite Performance Ranking of GCC Stock Exchanges - 2020 to 2025

Stock Exchange	Mkt Cap	Value Traded	Listed Cos.	Trad. Days	Transac tions	New Listings	Overall Rank
Saudi Exchange (Tadawul)	1	1	1	3	1	1	1st
Abu Dhabi Securities Exchange (ADX)	2	2	4	1	4	2	2nd
Dubai Financial Market (DFM)	3	5	5	1	5	4	3rd
Boursa Kuwait (BK)	5	3	2	4	2	5	4th

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Qatar Stock Exchange (QSE)	4	4	6	6	3	6	5th
Muscat Stock Exchange (MSM)	7	6	3	5	6	3	6th
Bahrain Bourse (BHB)	6	7	7	7	7	7	7th

Source: Authors' compilation based on WFE data, 2025. Composite ranking derived from individual parameter ranks averaged across six indicators.

The Saudi Exchange (Tadawul) is the clear and unchallenged overall leader across the GCC, ranking first in five of the six parameters and third in trading days. Its composite performance reflects a fully developed, deeply liquid, and rapidly growing equity market that is increasingly integrated with global capital markets. The Abu Dhabi Securities Exchange emerges as the second-best overall performer. It leads jointly in trading days, ranks second in market capitalisation and value traded, and has shown the fastest growth trajectory in transactions over the six-year period. Its new listings rank (second) further confirms its status as the most dynamic and rapidly improving exchange in the GCC, second only to Saudi Arabia. The Dubai Financial Market ranks third overall, sharing the top position on trading days and showing consistent growth in market capitalisation. However, its rankings on value traded and new listings suggest there is meaningful room for improvement in attracting both trading volume and IPO activity. Boursa Kuwait ranks fourth, with strong transaction numbers and a decent trading value, but is held back by the declining number of listed companies. Qatar Stock Exchange ranks fifth overall, stable but not growing strongly on most parameters. Muscat Stock Exchange ranks sixth, showing positive momentum in market capitalisation and transactions, particularly in 2025, but remaining constrained by size. Bahrain Bourse ranks seventh on almost every individual parameter, confirming the need for a fundamental strategic reassessment.

6. Performance Gaps and Suggestions for Improvement

While the overall trajectory of GCC equity markets is encouraging, the analysis reveals specific areas where individual exchanges and the GCC as a whole can improve. This section discusses the main gaps and proposes suggestions.

6.1 Reviving and Expanding Listing Activity

The most critical concern across most GCC exchanges is the very low level of new listing activity. Only the Saudi Exchange has successfully built a consistent IPO pipeline. Other exchanges, particularly the Bahrain Bourse, Qatar Stock Exchange, and DFM, need to adopt aggressive listing facilitation strategies (Alraeesi et al., 2026). These should include: reducing listing fees and regulatory compliance costs for new entrants; creating dedicated SME and growth company segments with lighter listing requirements; partnering with investment banks and advisors to actively identify listing candidates among family-owned businesses and government subsidiaries;

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and providing public education campaigns for business owners on the benefits of listing. The Saudi model, including the Nomu parallel market, offers a replicable template that other GCC exchanges could adapt to their own contexts.

6.2 Improving Trading Liquidity

The value of stocks traded and the number of transactions reveal a two-tier structure across GCC exchanges, with Saudi Arabia and the UAE markets far more liquid than the rest. To improve liquidity, smaller exchanges should: introduce formal market-maker programmes that provide continuous bid-ask quotes for thinly traded stocks; reduce transaction costs, including brokerage commissions and stamp duties; introduce derivatives instruments such as single-stock futures, index options, and ETFs that attract a broader range of investors; and promote algorithmic and institutional trading through improved technology infrastructure.

6.3 Expanding Foreign Investor Access

Despite recent progress, foreign investor access to most GCC exchanges remains more restrictive than in comparable emerging markets. Expanding foreign ownership limits, streamlining account-opening procedures for non-resident investors, and harmonising KYC requirements across GCC exchanges could substantially increase international capital inflows. Pursuing MSCI and FTSE index inclusions, as Saudi Arabia and the UAE have successfully done, brings in large passive institutional investment flows, significantly improves market credibility, and boosts price discovery. Bahrain, Kuwait, Qatar, and Oman should actively work toward meeting the criteria for such inclusions.

6.4 Regional Cooperation and Settlement Harmonisation

The GCC countries share a common currency peg, broadly similar regulatory traditions, and closely aligned economic structures. There is a compelling case for greater inter-exchange cooperation, including the exploration of a unified GCC clearing and settlement infrastructure. A regional settlement link would reduce transaction costs for investors who invest across GCC markets, improve order flow, and increase the collective attractiveness of the GCC as a single investment destination. The two UAE exchanges, ADX and DFM, would be natural candidates for a pilot integration that could serve as a model for wider GCC cooperation (Paltrinieri, 2015; Joseph & Fernandez, 2016).

6.5 Technology and Innovation

Financial technology offers important opportunities for GCC exchanges to attract new investors and listing companies. The introduction of regulated platforms for digital assets and tokenised securities, the use of artificial intelligence for real-time market surveillance, and mobile-first trading applications for retail investors are areas where GCC exchanges can lead regionally and compete globally. Bahrain and the UAE already have fintech-friendly regulatory environments,

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and exchanges in these countries should leverage this positioning to attract innovative companies and new investment products to their markets.

7. Conclusion

This study has presented a comprehensive comparative analysis of the financial and operational performance of the seven GCC equity stock exchanges over a six-year period from 2020 to 2025. Six key indicators were examined: market capitalisation, value of stocks traded, number of listed companies, number of trading days, number of transactions, and new listings.

The findings confirm that the Saudi Exchange (Tadawul) is the dominant force in GCC equity markets, leading across almost all parameters and widening its advantage over peers in listing activity. Its six-year average market capitalisation of USD 2,640,002 million and its addition of 169 new listings over the period reflects the success of a well-resourced, strategically managed market development agenda. The Abu Dhabi Securities Exchange has shown the most remarkable transformation of any GCC exchange during the study period, increasing its market capitalisation by over 323 per cent and its transaction volume by nearly 11 times. By 2025, ADX has firmly established itself as the second-ranked GCC exchange across multiple parameters, and its positive momentum is expected to continue. The Dubai Financial Market has delivered consistent growth in both market capitalisation (177 per cent over six years) and trading values, consolidating its position as the third-largest market in the GCC. The smaller exchanges, Boursa Kuwait, Qatar Stock Exchange, Muscat Stock Exchange, and Bahrain Bourse, each face distinct challenges. Boursa Kuwait's declining listing count, QSE's flat capitalisation growth and minimal new listings, MSM's limited size, and BHB's last-place ranking across all parameters are structural concerns that require both strategic action and regulatory support.

This paper recommends five priority areas for action: stimulating new listings through simplified regulatory processes and dedicated SME platforms; improving trading liquidity through market-maker schemes and derivatives introduction; expanding foreign investor access through ownership reforms and index inclusion efforts; strengthening regional cooperation toward harmonised settlement infrastructure; and embracing financial technology for product innovation and investor outreach. The GCC equity markets as a whole have made impressive progress since 2020. With continued commitment to reform, innovation, and regional cooperation, they have the potential to become a major force in global capital markets, attracting investment, supporting economic diversification, and creating lasting prosperity for the citizens of the GCC region.

This study is limited by its focus on six quantitative indicators from WFE data. Future research could complement this analysis by incorporating regulatory quality indices, corporate governance ratings, ESG disclosure requirements, and investor sentiment surveys to provide a richer and more holistic picture of GCC market performance.

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