



بنك الإمارات دبي الوطني
Emirates NBD

Sector
Economics
25 April 2017

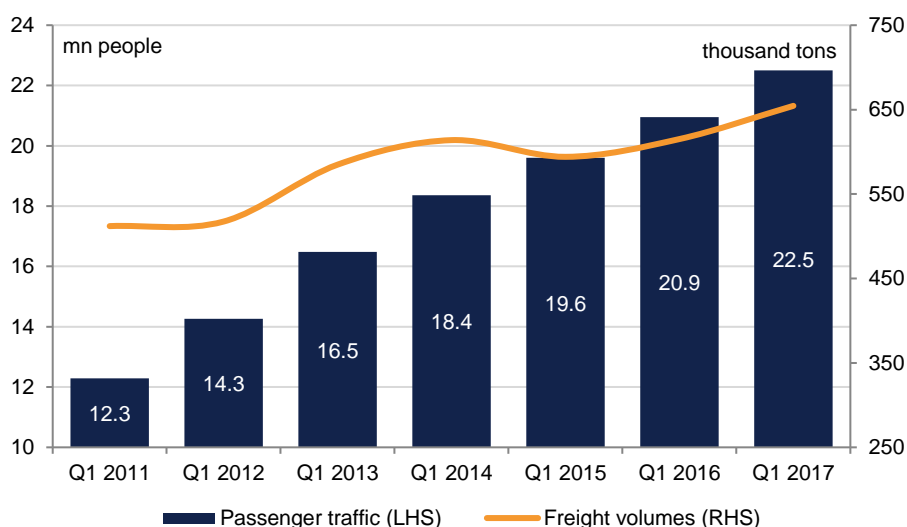
Sector Updates

Q1 2017 Dubai tourism and transport update

Passenger traffic at the Dubai International Airport (DXB) rose to 22.5 million in Q1 2017, up by 7.4% y/y. In March alone, 7.5mn passengers passed through DXB, up by 3.8% y/y. Passenger traffic is expected to exceed 89 million at DXB by the end of 2017, according to Dubai Airports. **Separately, freight volumes at DXB also increased by 16.7% y/y in March 2017 to 253,503 tons. Year to date volumes totaled 654,478 tons, up by 6.4% over Q1 2016.**

Eastern Europe was the fastest growing region in Q1 2017, up by 33.3% y/y, followed by Asia (22.6% y/y) and South America (22.2% y/y). The overall increase in passenger numbers is attributed to DXB's additional capacity provided by Emirates and Flydubai in markets such as Thailand, China and the Philippines. Conversely, the impact of travel bans and electronic device restrictions is starting to be felt with North American traffic figures down by -4.3% y/y in March 2017. **India remained DXB's biggest market in Q1 2017 with a total of 3mn passengers.** UK ranked second with 1.62mn passengers marginally overtaking Saudi Arabia with 1.57mn, and Pakistan with 1.17mn passengers. London topped the list of destination cities, followed by Doha, Bangkok and Mumbai.

Passenger traffic and freight volumes in DXB

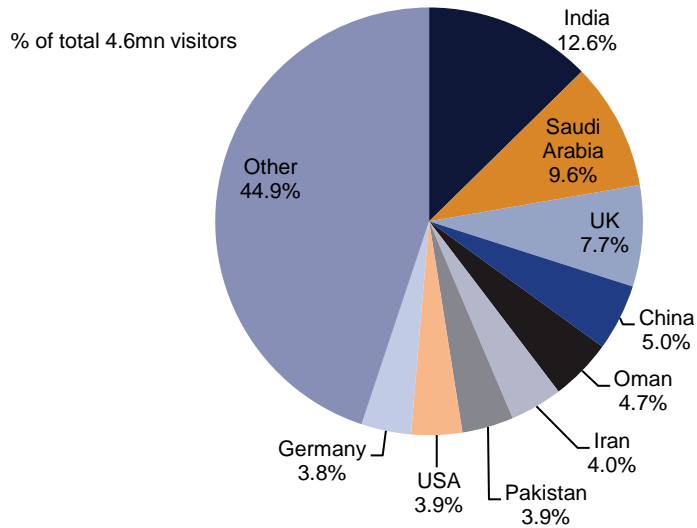


Source: Bloomberg, Dubai Airports, Emirates NBD Research

The number of tourists coming to Dubai and staying in hotels including holiday rentals and onboard cruise ships for at least one night reached 4.57mn in Q1 2017, up by 11.2% compared with the same period last year. Western Europe was the lead tourist region for Q1, accounting for 22% of the total figure, followed by the GCC (19%) and South Asia (17%). In terms of country specific volumes, India remained Dubai's top source market with 578,000 tourists, an increase of 23.8% y/y. Saudi Arabia ranked second with 440,000 tourists (-7.6% y/y) followed by UK with 350,000 tourists (4.8%), outpacing China with 230,000 tourists (64.3% y/y) and Oman with 214,000 tourists (-33.5% y/y).

Athanasios Tsetsonis
Sector Economist
+971 4 230 7629
AthanasiosT@emiratesnbd.com

Top 10 visitors by nationality, Q1 2017

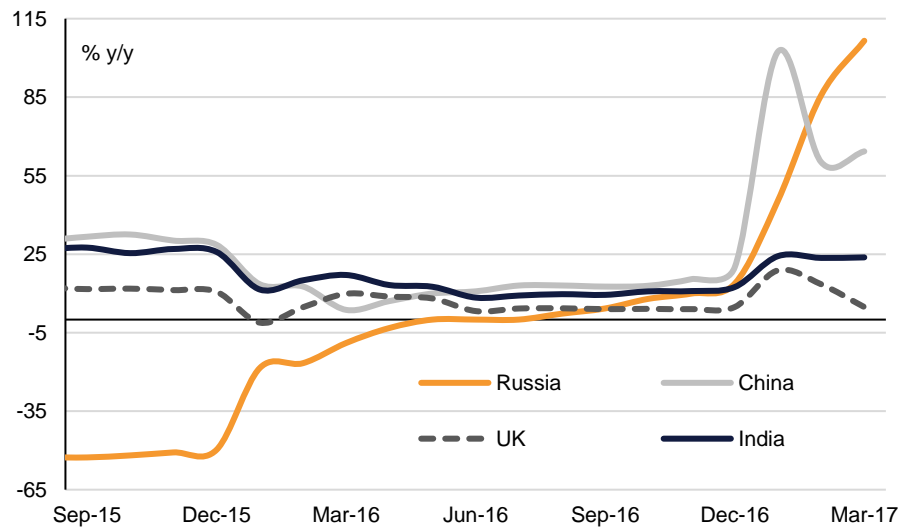


Source: Department of Tourism and Commerce Marketing (DTCM), Emirates NBD Research

Separately, the number of Russian tourists recorded the highest monthly figure in DTCM’s history in March with 61,000 tourists, making this the fastest growing segment by nationality. For Q1 2017, the number of Russian tourists more than doubled (106.6% y/y) to 126,000 tourists with both the easing of visa rules and the RUB/USD appreciation likely contributed to the recovery in the number of visitors from Russia since H2 2016.

Easing of visa rules for Chinese nationals at the end of 2016 also helped to boost demand from this segment of the market. Indeed the number of Chinese visitors to Dubai grew 64.3% y/y in Q1 2017 to 230,000 tourists, making this the second fastest growing segment by nationality. In March alone, the number of Chinese tourists increased to 73,000, up by 73.8% compared with the same month last year.

Dubai’s key tourist markets



Source: Department of Tourism and Commerce Marketing (DTCM), Emirates NBD Research

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Emirates NBD Research & Treasury Contact List

Emirates NBD Head Office
12th Floor
Baniyas Road, Deira
P.O.Box 777
Dubai

Jonathan Morris
General Manager Wholesale Banking
JonathanM@emiratesnbd.com

Aazar Ali Khwaja
Group Treasurer & EVP Global Markets &
Treasury
+971 4 609 3000
aazark@emiratesnbd.com

Tim Fox
Head of Research &
Chief Economist
+9714 230 7800
timothyf@emiratesnbd.com

Research

Khatija Haque
Head of MENA Research
+9714 230 7803
khatijah@emiratesnbd.com

Anita Yadav
Head of Fixed Income Research
+9714 230 7630
anitay@emiratesnbd.com

Shady Shafer Elborno
Head of Macro Strategy
+9714 2012300
shadyb@emiratesnbd.com

Athanasios Tsetsonis
Sector Economist
+9714 230 7629
athanasiost@emiratesnbd.com

Edward Bell
Commodity Analyst
+9714 230 7701
edwardpb@emiratesnbd.com

Mohammed Al-Tajir
Manager, FX Analytics and Product Development
+9714 609 3005
mohammedtaj@emiratesnbd.com

Aditya Pugalia
Analyst
+9714 230 7802
adityap@emiratesnbd.com

Sales & Structuring

Group Head – Treasury Sales
Tariq Chaudhary
+971 4 230 7777
tariqmc@emiratesnbd.com

Saudi Arabia Sales
Numair Attiyah
+966 11 282 5656
numaira@emiratesnbd.com

Singapore Sales
Supriyakumar Sakhalkar
+65 65785 627
supriyakumars@emiratesnbd.com

London Sales
+44 (0) 20 7838 2241
vallancel@emiratesnbd.com

Egypt
Gary Boon
+20 22 726 5040
garyboon@emiratesnbd.com

Emirates NBD Capital

Ahmed Al Qassim
CEO- Emirates NBD Capital
AhmedAQ@emiratesnbd.com

Hitesh Asarpota
Head of Debt Capital Markets.
+971 50 4529515
asarpotah@EmiratesNBD.com

Investor Relations

Patrick Clerkin
+9714 230 7805
patricke@emiratesnbd.com

Group Corporate Affairs

Ibrahim Sowaidan
+9714 609 4113
ibrahims@emiratesnbd.com

Claire Andrea
+9714 609 4143
clairea@emiratesnbd.com