



بنك الإمارات دبي الوطني
Emirates NBD

Economics

6 February 2017

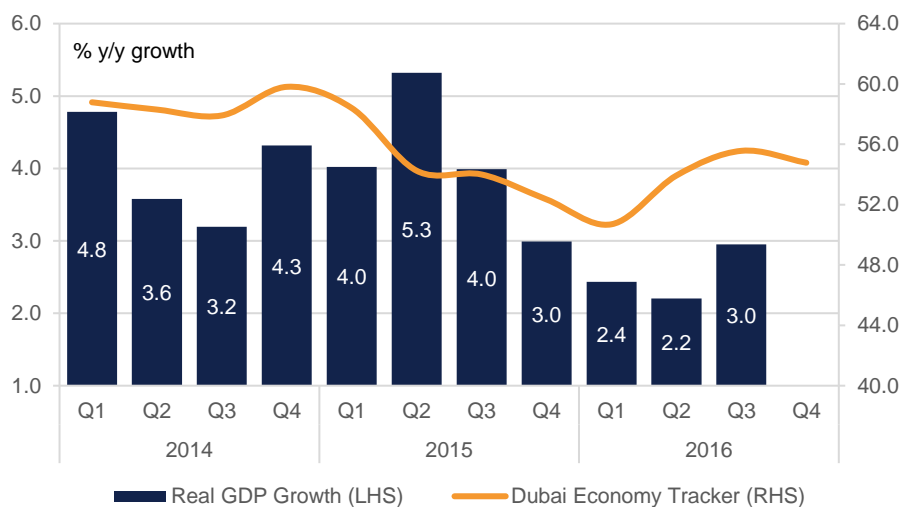
Dubai GDP Q3 2016

GDP growth averaged 2.5% in Jan-Sep 2016

GDP growth accelerated to 3.0% y/y in Q3 2016 from 2.2% in Q2, according to data from Dubai Statistics Centre. For the first nine-months of 2016, real growth averaged 2.5%, down from 4.4% in the same period 2015. The biggest sector of the economy, wholesale & retail trade, grew roughly 1.0% y/y in Jan-Sep 2016, while transport & storage grew 4.5%. The hospitality sector enjoyed strong growth at 9.0%. The construction sector contracted -0.2% in the first nine-months of 2016, which is surprisingly given the number of infrastructure and other projects currently underway.

The Emirates NBD Dubai Economy Tracker (DET) Index points to higher GDP growth in Q4 2016, averaging 54.8 compared with 52.3 in Q4 2015 suggesting that overall economic expansion accelerated in the last quarter of 2016. This is consistent in our view with full year growth of 3.5% in Dubai in 2016. Similarly, we are optimistic that higher oil prices should contribute to improved sentiment in 2017 and we expect investment in infrastructure to underpin Dubai's growth over the next few years as the country prepares for Expo 2020. We retain our estimate of 3.5% for Dubai's real GDP growth in 2016, down from 4.1% in 2015. We also retain our forecast for 2017 GDP growth of 4.0% in Dubai.

Dubai: Quarterly real GDP growth and DET



Source: Dubai Statistics Centre (DSC), Markit, Emirates NBD Research

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