



بنك الإمارات دبي الوطني
Emirates NBD

Sector
Economics
30 January 2017

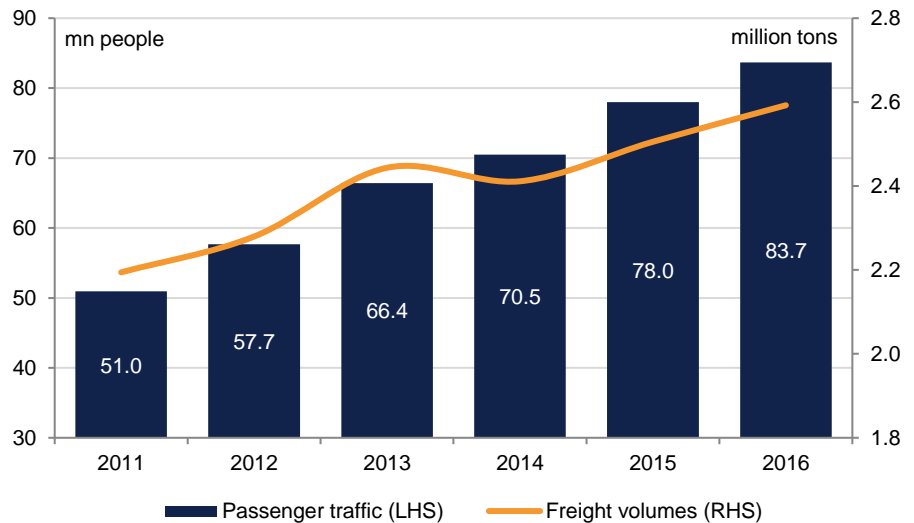
Sector Updates

2016 UAE tourism and transport update

Passenger traffic at the Dubai International Airport (DXB) rose to 83.7 million in 2016, up by 7.2% y/y. In December alone, 7.7mn passengers passed through DXB, up by 9.3% y/y, recording the highest monthly traffic figure in DXB's history for the second time in 2016. Passenger traffic is expected to exceed 89 million at DXB by the end of 2017, according to Dubai Airports. **Despite the registered contraction in Q3 2016, freight volumes recovered in the last quarter, rounding off the year with 2.6mn tons, up 3.5% compared with 2015.**

Eastern Europe was the fastest growing region in 2016, up by 17.5% y/y, followed by Asia (11.4% y/y) and the Indian subcontinent (9.5% y/y). The overall increase in passenger numbers is attributed to DXB's network expansion welcoming new airlines such as Rossiya and Nepal Airlines as well as adding a total of 11 new destinations from Fly Dubai and Emirates. India remained DXB's biggest market in 2016 with a total of 11.4mn passengers. Saudi Arabia ranked second with 6.09mn passengers marginally overtaking the UK with 6.06mn passengers. London topped the list of destination cities, followed by Doha and Mumbai.

Passenger traffic and freight volumes in DXB

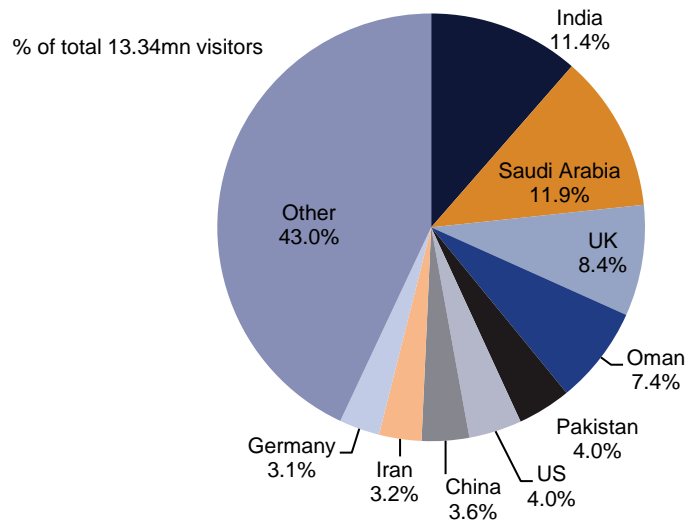


Source: Bloomberg, Dubai Airports, Emirates NBD Research

The number of tourists coming to Dubai and staying in hotels including holiday rentals and onboard cruise ships for at least one night reached 13.34mn in Jan-Nov 2016, up by 3.9% compared with the same period last year. GCC remained the lead tourist region for Jan-Nov, accounting for 24% of the total figure, followed by Western Europe (21%) and South Asia (17%). In terms of country specific volumes, India is Dubai's top source market with 1.59mn tourists, an increase of 11.0% y/y. Saudi Arabia ranked second with 1.52mn tourists (7.0% y/y) followed by UK with 1.12mn tourists (4.0%), outpacing Oman with nearly 0.98mn tourists (10.0% y/y) and Pakistan with 0.54mn tourists (18.0% y/y).

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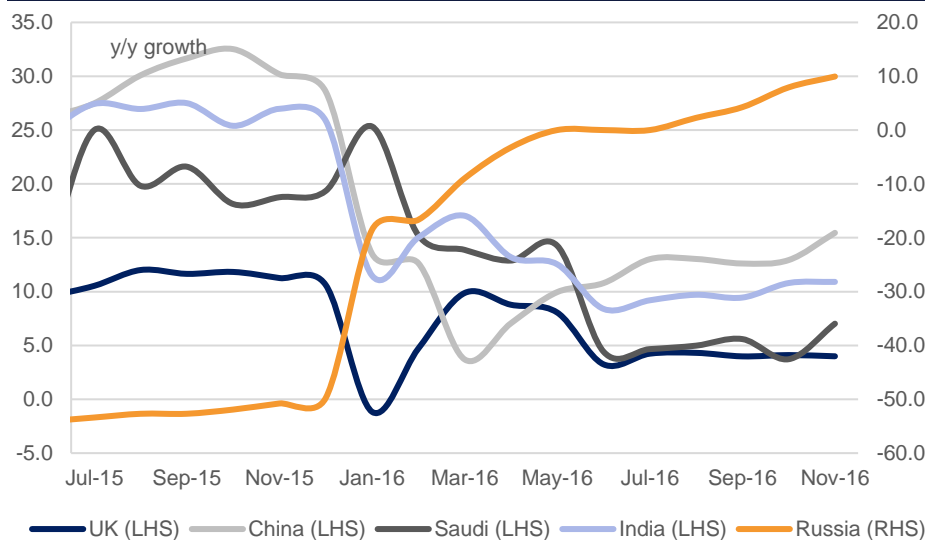
Top 10 visitors by nationality, Jan-Nov 2016



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

Separately, the number of Russian tourists recorded positive growth for a fourth consecutive month in November to 210,000 tourists, up by 10.0% y/y in Jan-Nov 2016 compared with a -51.0% decline in the same period of 2015. The number of Chinese tourists has also increased but at a slower pace in November to 478,000 tourists, up by 15.5% y/y in Jan-Nov 2016 compared to a 30.2% increase in the same period of 2015 and is expected to boost further by the recent Chinese visa-on-arrival regulation.

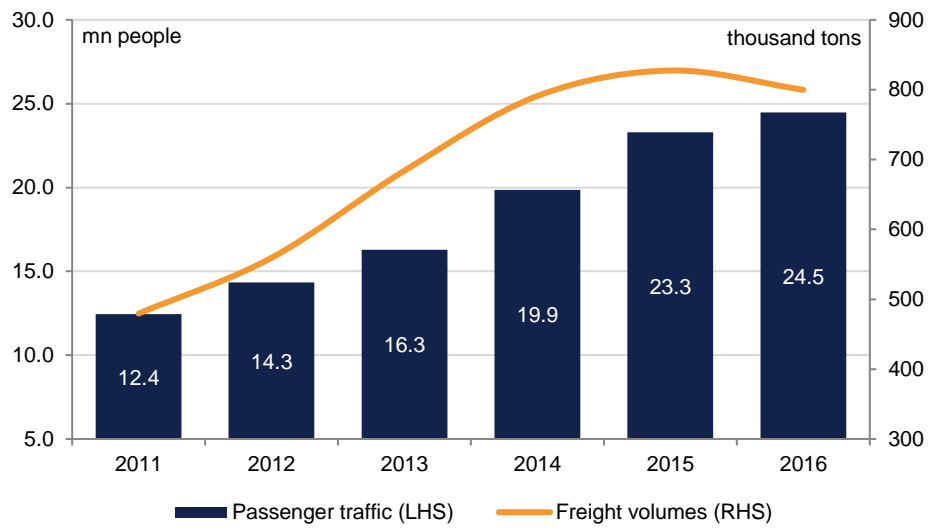
Dubai's key tourist markets



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

Passenger traffic at the Abu Dhabi International Airport (AUH) rose to 24.5 million in 2016, up by 5.1% y/y. In December alone, 2.2mn passengers passed through AUH, up by 3.7% y/y. Passenger traffic to India rose by 13.3% y/y in 2016, maintaining its position as the top destination, with over 4 million passengers while traffic to and from UK also increased by 11.4% for the same period. Passenger traffic at AUH is expected to double, exceeding 40 million passengers by 2020, according to Abu Dhabi Airports. Separately, freight volumes at AUH declined by -1.3% y/y in December to 66,126 tons. Year to date volumes totalled 799,868 tons, also down by -3.3% over 2015.

Passenger traffic and freight volumes in AUH



Source: Bloomberg, Abu Dhabi Airports, Emirates NBD Research

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