



بنك الإمارات دبي الوطني
Emirates NBD

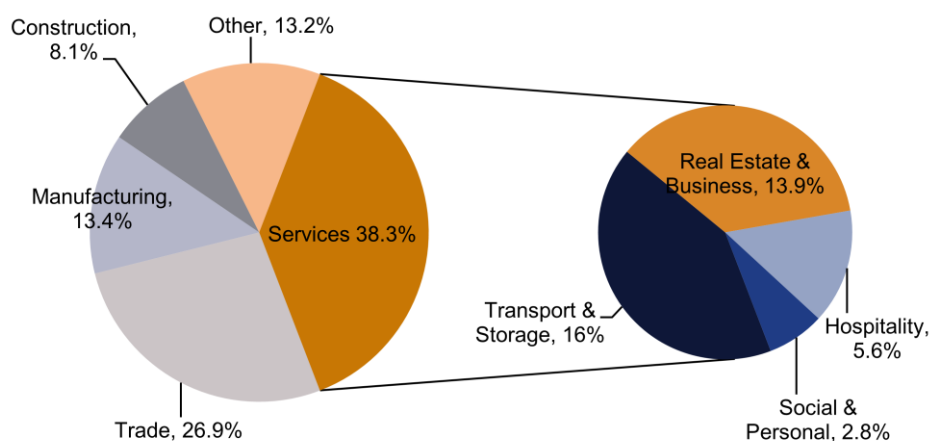
Economics

2 September 2015

Dubai GDP Q1 2015

Dubai's economy expanded **3.9% y/y in Q1 2015**, slower than 5.1% growth in Q1 2014. According to the press release by the Dubai Statistics Centre (DSC), **the fastest growing sector in Dubai was utilities (electricity, gas and water) which recorded 10.5% growth**, accounting however for a mere 1.8% of Dubai's GDP. The **services sector** (including real estate and business services, hospitality, transport, communication, personal and social services) have enjoyed the strongest growth in Q1 2015, up 5.6% y/y, accounting for 38.3% of total GDP. **Hospitality** grew 9.2% y/y, **transport and storage** 5.7% y/y, **real estate and business services** 4.4% y/y and **social and personal services** 3.3% y/y. **Wholesale & retail trade**, which accounts for roughly 27% of the economy, grew 3% y/y in Q1 2015 while the **manufacturing sector** growth was relatively constrained at 4.1% y/y in Q1 2015 after a 6.8% robust growth in Q1 2014.

Dubai GDP breakdown, % of total, Q1 2015

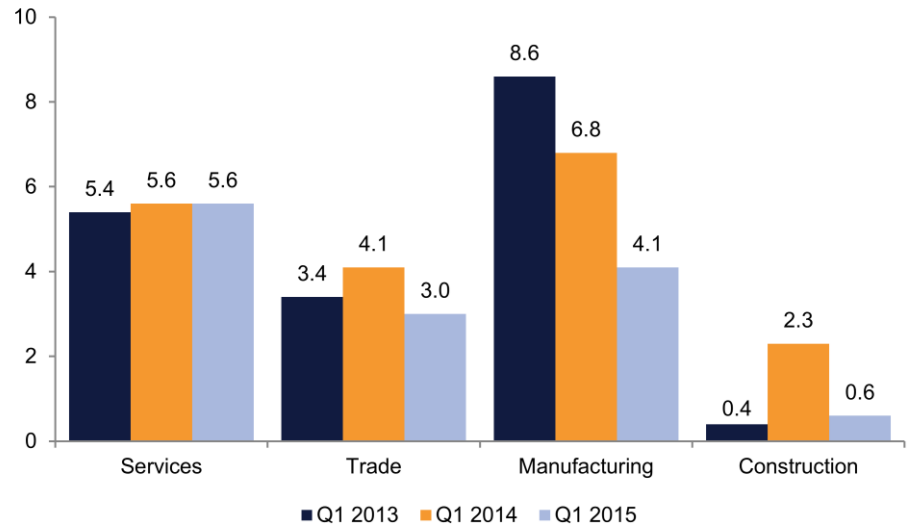


Source: Dubai Statistics Centre (DSC), Emirates NBD Research

Construction recorded an anaemic start in Q1 2015 with growth rising 0.6% y/y, down from 2.3% y/y in Q1 2014. We expected stronger construction growth for Dubai given the number of projects underway. The low Dubai construction growth number is also difficult to reconcile with reported 7.3% growth in the sector in the whole UAE (2014 data). Separately, UAE is ranked third in the MENA region in terms of projects value accounting for 9% (USD 28.6bn) of the total figure in Q2 2015, with almost half being directed to Dubai's transport and construction sector. Despite the drop in oil prices, the prospects for UAE's construction projects for 2016 remain positive **as new projects break ground, while there is little sign of a slowdown for those projects already underway.**

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Dubai GDP Q1 2015, % y/y growth



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

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