

# Dubai economy grew 2.5% in first nine months of 2010

- Sunday, 20 February 2011 4:02 PM



**ECONOMY GROWTH:** Dubai's economy grew 2.5 percent in the first nine months of 2010, compared with the same period of 2009 (Getty Images)

Dubai's economy grew 2.5 percent in the first nine months of 2010, compared with the same period of 2009, the head of the Gulf emirate's statistics office was quoted as saying on Sunday.

Dubai's debt woes, prompted by the collapse of its property sector, weighed on economic performance across the UAE in 2010 as many of the region's banks were exposed to state-owned property firms that ran into trouble.

But rising trade flows helped fuel economic recovery.

Arif Obaid al-Muhairi, Executive Director at the Dubai Statistics Center, said that wholesale and retail sectors were the main growth drivers, the agency's website showed

He did not say whether the gross domestic product increase was in real or nominal terms.

Last October, Muhairi forecast Dubai's GDP growth at 2.3 percent for 2010, well above a 0.5 percent forecast by the International Monetary Fund.

The economy of the emirate, which accounts for some 80 percent of the UAE non-oil trade, expanded 5.7 percent in real terms in 2008. Official 2009 GDP data for Dubai are not available, although the IMF estimated a 0.9 percent contraction.

Muhairi said on Sunday that transport, storage and telecommunications were the second largest sectors in terms of 2010 growth, up an average of 10 percent in the same period.

The Dubai economy -- which accounts for almost a third of the seven-member UAE federation -- saw a slight drop in construction and real estate sectors, while the average jobless rate stood at 0.6 percent, he said.

Concerns about Dubai's total liabilities, estimated at around \$115bn or some 123 percent of GDP, have eased after state-owned Dubai World sealed a deal last September to restructure almost \$25bn of debt.

But worries still persist about the ability of Dubai and its companies to repay bonds and loans worth billions of dollars in the next four years as the emirate lacks the oil wealth of neighbouring Abu Dhabi.