

Dubai economy may grow 6% in 2012: Citibank

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Dubai's economy may grow 3.5 percent to 4 percent this year and 6 percent in 2012, spurred by infrastructure spending and foreign investment, according to Farouk Soussa, Citigroup's chief Middle East economist.

The emirate is "blessed by prime location" and there's "real appetite" for investing there, he said at a conference today. Infrastructure development, foreign investment and geographical location are driving growth, he said.

Dubai's economy, the second-biggest of seven that make up the United Arab Emirates, is recovering from the credit crisis, helped by a revival in trade and tourism. Real gross domestic product grew 2.2 percent in 2010, the statistics bureau said on its website March 21.

Growth is likely to accelerate to four percent this year, Standard Chartered said in December.

While Dubai will see its recovery gain "traction" this year, it needs more counter-cyclical fiscal policies, according to Marios Maratheftis, a Standard Chartered economist based there.

"Dubai should consider some kinds of taxation," he said. It needs "more sources of revenues."

