

United Arab Emirates Business Forecast Report Q3 2014

<https://marketpublishers.com/r/U0125834089EN.html>

Date: June 2014

Pages: 47

Price: US\$ 1,195.00 (Single User License)

ID: U0125834089EN

Abstracts

Includes 3 FREE quarterly updates

Core Views

Our baseline scenario sees relatively solid growth over the coming quarters, with real GDP forecast to expand 3.7% and 3.9% in 2014 and 2015 respectively. We expect Dubai to outperform Abu Dhabi, with the former benefiting from increased activity in the trade and tourism sectors, in addition to our expectation that the all-important real estate industry is now set for sustained growth. Credit growth to the private sector will remain relatively slow through 2014 as commercial banks continue to increase provisioning against potential loan losses owing to the debt funding cliff.

Major Forecast Changes

On the back of a stronger-than-expected recovery in Dubai's residential property sector, we have revised up our 2014 average inflation forecast, and now project the headline print coming in at 2.5% this year.

Contents

CHAPTER 1: POLITICAL OUTLOOK

SWOT Analysis

BMI Political Risk Ratings

Domestic Politics

Political Risk To Reduce Further

The UAE's already minimal political risks are set to decline further over the coming quarters. Improved relations with Egypt, a decline in the regional power of the Muslim Brotherhood and rapprochement with Iran all serve to increase stability in the country both domestically and on the regional stage. That said, tensions with Qatar and income disparity remain the main causes for concern for the political situation.

Table: Political Overview

Long-Term Political Outlook

Three Challenges For The Coming Decade

The UAE is one of the more stable Gulf states over the long term, with a small, wealthy population; no history of terrorism; and no sectarian tensions to speak of. That said, it is not without its challenges.

CHAPTER 2: ECONOMIC OUTLOOK

SWOT Analysis

BMI Economic Risk Ratings

Economic Activity I

Non-Oil Sector To Drive Growth

We maintain our bullish outlook on the UAE's economy as a wealth of data points to continued growth. Consumer and business sentiment remains positive, underlining our particularly upbeat views on household consumption and fixed investment over the coming quarters. Following estimated real GDP growth of 4.0% in 2013, we are projecting the economy to expand by a more moderate 3.7% in

2014, BEFORE PICKING UP TO 3.9% AGAIN IN 2015. THIS GROWTH WILL INCREASINGLY COME FROM THE NON-OIL SECTOR.

Table: Economic Activity

Table: GDP By Expenditure

Economic Activity II

Dubai Economy Going From Strength To Strength

The Dubai economy is going from strength to strength and we hold a bullish outlook across a whole host of sectors. We forecast that Dubai will outperform the other emirates and become an increasingly important growth driver in the UAE on the back of the tourism, real estate and retail sectors. In addition, the key risk of the 2014 debt funding cliff is lessening as restructuring is occurring relatively smoothly. We forecast real GDP growth for Dubai of 4.3% in 2014 and 4.5% in 2015, following an estimated 4.7% in 2013.

Table: GDP Forecast

Economic Activity III

Abu Dhabi: Non-Oil Sector To Drive Growth

Abu Dhabi will see a modest slowdown in economic growth over the coming years as gains in the essential oil sector become harder to maintain. We forecast Abu Dhabi's real GDP growth reaching 3.5% in 2014 and 3.2% in 2015, following an estimated 3.6% in 2013.

This forecast lags behind our expectations for the UAE as a whole as the non-oil sector will be unable to maintain the former growth reached by the larger oil sector.

Table: abu Dhabi - GDP Forecast

Table: Major Infrastructure Projects

Economic Activity IV

Northern Emirates To See Uptick In Growth

We expect an uptick in economic activity in the four northern emirates of the UAE (Ras al-Khaimah, Ajman, Fujairah and Umm al-Quwain) on the back of significant investment and government spending plans. We also anticipate growth in the emirates' housing and construction sectors, in line with our view on the wider UAE economy, particularly in Dubai and Abu Dhabi.

Table: Key Projects In Northern Emirates

Banking Sector

Islamic Banking: Growth To Slow, But New Markets To Surface

Islamic finance is set for continued growth as several countries vie to become global centres, although expansion rates have peaked. At present, we expect Malaysia to remain the global leader in Islamic banking, although there will be concerted competition from Dubai. In addition, there is huge growth potential in India, Nigeria and Thailand.

Table: GCC Islamic Bonds (2014)

CHAPTER 3: 10-YEAR FORECAST

The UAE Economy To 2023

Greater Caution, Slower Growth

After its recent experience of boom and bust, we are forecasting a slower but more sustainable growth trajectory for the UAE over the next five to 10 years. Consumer spending will remain the key driver of GDP. However, investment and government spending are also significant, and this relative dependence on domestic demand puts it at some degree of risk.

Table: Long-Term Macroeconomic Forecasts

CHAPTER 4: BUSINESS ENVIRONMENT

SWOT Analysis

BMI Business Environment Risk Ratings

Business Environment Outlook

Institutions

Table: BMI BUSINESS AND OPERATION RISK RATINGS

Infrastructure

Table: BMI LEGAL FRAMEWORK RATING

Market Orientation

Table: LABOUR FORCE QUALITY

Table: MENA - ANNUAL FDI INFLOWS

Table: TRADE AND INVESTMENT RATINGS

Operational Risk

Table: TOP EXPORT DESTINATIONS

CHAPTER 5: KEY SECTORS

Defence

Table: Defence Expenditure

Table: Air Freight, 2011-2018

Table: Maritime Freight

Other Key Sectors

Table: Oil and Gas Sector Key Indicators

Table: Pharma Sector Key Indicators

Table: Infrastructure Sector Key Indicators

Table: Telecoms Sector Key Indicators

Table: Autos Sector Key Indicators

Table: Food and Drink Sector Key Indicators

CHAPTER 6: BMI GLOBAL ASSUMPTIONS

Global Outlook

Emerging Market Deceleration

Table: Global Assumptions

Table: Developed States, Real GDP Growth, %

Table: BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH
FORECASTS, %

Table: Emerging Markets , Real GDP Growth, %

I would like to order

Product name: United Arab Emirates Business Forecast Report Q3 2014

Product link: <https://marketpublishers.com/r/U0125834089EN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/U0125834089EN.html>