



Press Release

Under strict embargo until: 08:15 (DUBAI) / 04:15 (UTC), December 12th 2018

Emirates NBD Dubai Economy Tracker™

Dubai Economy Tracker signals growth rebound in November

Dubai, December 12th 2018:

November data signalled a stronger improvement in the health of Dubai's non-oil private sector, reflecting faster expansions in business activity and new work and a stable trend in employment. The three main sectors monitored all registered stronger performances, with construction seeing the fastest growth.

The seasonally adjusted Emirates NBD Dubai Economy Tracker Index – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – posted at 55.3, up from October's 31-month low of 52.5 and the highest since June. The latest figure was broadly in line with the long-run trend level since January 2010. The current phase of expansion now extends to 33 months.

Construction was the strongest-performing sector in November (57.5), followed by wholesale & retail (55.4) and travel & tourism (52.8).

A reading of below 50.0 indicates that the non-oil private sector economy is generally declining; above 50.0, that it is generally expanding. A reading of 50.0 signals no change.

The survey covers the Dubai non-oil private sector economy, with additional sector data published for travel & tourism, wholesale & retail and construction.

Commenting on the Emirates NBD Dubai Economy Tracker, **Khatija Haque, Head of MENA Research at Emirates NBD**, said:

“The headline Dubai Economy Tracker Index climbed to 55.3 in November, up from 52.5 in October. This marked the strongest reading in five months, and something of a recovery following the October reading, which was a slump to the lowest level since March 2016. Nevertheless, the index remains shy of the 2017 average (56.0), and there remain weak points within the data.

“Output saw a substantial improvement last month, climbing from 56.5 to 61.1. New work also rose at a faster rate, at 59.9, up from 54.5 in October. However, this is being supported by ongoing cuts to output prices by firms, which fell to 45.8 in November, the second-lowest reading in the eight-year series. At the same time, input prices rose at a faster rate, from 52.1 in October, to 54.1 last month. As such, margin pressures on firms continue to intensify. Employment made a modest return to expansionary territory at 50.2 last month, following two consecutive months of sub-50.0 readings, but only 2.9% of respondents saw an increase in headcount.

“Construction was the strongest-performing sector last month, with the headline index climbing from 55.5 to 57.5. Wholesale & retail also improved, from 53.7 to 55.4, while Travel & tourism

returned to expansion in November at 52.8, following the contractionary 49.6 recorded in October. Across all three, business expectations remain high, despite the headline index declining modestly from 87.1 to 84.9.”

Key Findings

- Dubai Economy Tracker improves to five-month high of 55.3
- Faster growth of output and new business, led by construction
- Output expectations ease from October’s record high

Business activity and employment

Output in Dubai’s non-oil private sector increased at the sharpest rate since August, as companies reported good market conditions and successful promotional activity. Moreover, the rate of expansion was greater than the trend for 2018 so far, and the historic series average (since January 2010). The construction sector saw by far the sharpest increase during the latest survey period.

November data signalled a stable trend in non-oil private sector employment in Dubai. This followed a two-month period of mild job shedding. Construction firms reported a robust increase in headcounts.

Emirates NBD Dubai Economy Tracker Index™

Seasonally adjusted, 50 = no-change



Sources: Emirates NBD, IHS Markit

Incoming new work and business activity expectations

There was a further increase in incoming new work during November, extending the current phase of growth to 33 months. Moreover, the rate of growth accelerated from October’s two-and-a-half year low to the strongest in five months. Marked increases were reported in the construction and wholesale & retail sectors, while growth resumed in travel & tourism.

Despite the faster gains in output and new business, growth expectations eased from October’s record high in November. That said, confidence remained at an elevated level overall.

Input costs and average prices charged

Average cost burdens for Dubai non-oil private sector firms rose for the eighth month running in November. Furthermore, the rate of inflation accelerated to a seven-month high.

Output charges fell in November. Moreover, the rate of decline was the strongest since February 2016. Some firms linked lower selling prices to promotional activity.

Emirates NBD Dubai Economy Tracker Index: Sector summary

Seasonally adjusted, 50 = no-change



Sources: Emirates NBD, IHS Markit

-Ends-

The next *Dubai Economy Tracker Report* will be published on 16th January 2019 at 08:15 (DUBAI)

For further information, please contact:

Ibrahim Sowaidan
Head - Group Corporate Affairs
Emirates NBD
Telephone: +971 4 609 4113 / +971 50 6538937
Email: ibrahims@emiratesnbd.com

Shaleen Sukthankar
ASDA'A Burson-Marsteller; Dubai, UAE
Tel: +971 50 9547834
Email: shaleen.sukthankar@bm.com

Joanna Vickers
Corporate Communications
IHS Markit
Tel: +44-207-260-2234
Email: joanna.vickers@ihsmarkit.com



Notes to Editors

The Emirates NBD Dubai Economy Tracker™, produced by IHS Markit, is based on data compiled from monthly replies to questionnaires sent to senior executives in approximately 600 private sector companies, which have been carefully selected to accurately represent the true structure of the Dubai economy, including manufacturing, services, construction and retail.

The panel is stratified by Standard Industrial Classification (SIC) group, based on industry contribution to GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month.

For each of the indicators the 'Economy Tracker report' shows the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

The Dubai Economy Tracker Index is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times index inverted so that it moves in a comparable direction. The Dubai Economy Tracker Index is comparable to the UAE Purchasing Managers' Index.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

About Emirates NBD

Emirates NBD is a leading banking Group in the region. As at 30th June 2018, total assets were AED 477.5 Billion, (equivalent to approx. USD 130 Billion). The Group has a significant retail banking franchise in the UAE and is a key participant in the global digital banking industry, with over 90 per cent of all financial transactions and requests conducted outside of its branches. The bank was declared the Most Innovative Financial Services Organization of the Year at the 2017 BAI Global Innovation Awards.

The bank currently has 227 branches and 1065 ATMs and SDMs in the UAE and overseas and a large social media following, being the only bank in the Middle East ranked among the top 20 in the 'Power 100 Social Media Rankings', compiled by The Financial Brand. It is a major player in the UAE corporate and retail banking arena and has strong Islamic Banking, Global Markets & Treasury, Investment Banking, Private Banking, Asset Management and Brokerage operations.

The Group has operations in the UAE, the Kingdom of Saudi Arabia, Egypt, India, Singapore, the United Kingdom and representative offices in China and Indonesia.

The Group is an active participant and supporter of the UAE's main development and community initiatives, in close alignment with the UAE government's strategies, including financial literacy and advocacy for inclusion of People with Disabilities under its #TogetherLimitless platform. Emirates NBD Group is an Official Premier Partner of Expo 2020 Dubai. For more information, please visit: www.emiratesnbd.com



About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

The intellectual property rights to the Emirates NBD Economy Tracker provided herein are owned by IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. IHS Markit is a registered trade mark of IHS Markit Limited and/or its affiliates.