

AVIATION TO CONTRIBUTE 37.5% TO DUBAI'S GDP IN 2020



In 2013, Dubai airports, aviation sector and Emirates Airlines contributed about \$ 26.7 billion to the Dubai economy which covered 27 % of Dubai's GDP. These sectors supported a total of 416,500 jobs where 21% of them were from the Emirates.

The statistics were based on a report that analyzed the economic impact of the aviation sector in Dubai. The research was conducted by "Oxford Economics", a global research firm that did a follow-up of a similar study done in 2011. The aim of these reports was to determine the economic impact of Dubai's aviation sector.

The research explains the benefits brought by aviation towards Dubai's economic developments and its annual growth. In the recent years, **Dubai economy has drastically improved and this has attracted many investors from all over the world.** Dubai economic officials state that it has taken them years to build infrastructures and critical competencies that they have today. The current economic growth in Dubai is a result of many years of hard work and focused success. Most infrastructures and mega factories have greatly contributed to the opening of new compensations in the infrastructural development. The chief executive and chairman of Emirates airline Sheikh Ahmed Bin Saeed has deliberately encouraged infrastructural developments in Dubai, since he believes that Dubai will become the top of choice for tourists, traders and international travelers.

Economic Benefits for Dubai by 2020

By 2020, Dubai aviation sector will grow at a faster rate than the rate of its economy as whole. There will be a robust growth in international passengers and this explains why Dubai will become a great tourist destination for millions of people around the world. Efforts to expand airline companies and airport infrastructure in Dubai are undergoing, and it's estimated that the overall economic impact of tourism and aviation related activities will rise to about \$53.1 billion by 2020. This represents 37.5% of Dubai's GDP, supporting over 754,500 Dubai based jobs.

Benefits for the Tourism Sector

Dubai aviation has proved to be the key factor for the growth of the country's tourism sector. In 2013, tourism activities had an impact of \$10.2 billion GVA (gross value added) that resulted in a creation of 157,000 new jobs. There were about 10 million non UAE visitors who toured Dubai in 2013 and they spent around \$13 billion that accounts to 1% of foreign visitors spend globally that year. Dubai tourism sector success has intensively grown due to the private and public efforts that have invested so much in world class aviation technologies and tourism infrastructures that support the large number of visitors.

Connectivity Growth

One of Dubai's greatest assets that help its tourism industry to grow so fast is its enhanced connectivity. **Oxford estimated that travelers and passengers can easily connect from Dubai**

to 25 most popular cities in the world. This accounts for 81 % of the world most popular cities with a population of over 10 million people. Generally, Dubai has direct-flight connections to 149-cities that hold over 1,000,000 people. This creates a potential export-market of about 916 million people which is equivalent to 13% of the world population. In Dubai, since 1990 to 2013, cargo tonnage has grown on an average of about 13% per year which is a double increase of the world global average trade-volume of 5.6% per year.

Impact of Aviation on Economy

In 2013 it is estimated that the aviation industry, Dubai airports, airlines flying to Dubai, regulatory authorities and The Emirates group led to a core impact of \$16.5 billion GVA. This amount covers indirect and direct induced contributions and represents a 16.5% of Dubai total GDP. The growth of Dubai's aviation sector has led to a robust growth in its economy supporting a good lifestyle for its citizens.

Date: 2014-12-01

Article link:

<https://www.tourism-review.com/dubai-aviation-forecasted-to-contribute-375-to-dubais-gdp-in-2020-news4352>