

Dubai economy suffers \$100mn hit

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Dubai's economy could be facing losses of around 432 million dirhams (\$117.6 million) following the city's complete shutdown on Monday for the visit of US president George W. Bush.

Most businesses, schools, shops and restaurants were closed on Monday after authorities called a last minute public holiday to try and limit the impact of the closure of almost all Dubai's major roads, bridges and tunnels so Bush could tour the city's landmark developments.

According to estimates based on Dubai's gross domestic product (GDP), which was 157 billion dirhams (\$42.7 billion) in 2006, the Gulf's second largest economy and largest trading hub would lose more than 100 million dirhams if its economy came to a standstill for just one day.

Analysts said there were also additional unquantifiable losses such as missed business opportunities.

Businesses said the last minute nature of the announced holiday made matters worse because it meant there was no time to reschedule meetings or events.

Offices at the Dubai International Financial Centre (DIFC) were closed, as was the Dubai International Financial Exchange (DIFX) and Dubai Financial Market (DFM).

There are around 500 companies operating out of the DIFC.

Jebel Ali Free Zone was also shut down, which is home to more than 5,000 companies.

According to the Dubai Chamber of Commerce and Industry, there are over 100,000 companies operating in the emirate.

Bush touched down in Dubai from Abu Dhabi around lunchtime on Monday where he spent the day touring the city's sites. He then boarded a plane to Riyadh where he was greeted by Saudi's King Abdullah and other dignitaries upon arrival.

The UAE was the third stop on Bush's whirlwind visit to the GCC. The tour, which includes stops in Israel, Palestine, Bahrain, the UAE, Egypt, Saudi Arabia and Kuwait, ends on January 16.

Source: Arabian Business