

UAE economy to grow 4% in 2010, 2011 - top official

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ECONOMIC GROWTH: Central bank Governor Nasser Al Suweidi. (Getty Images)

The UAE economy will grow at a pace of around 4 percent in 2010 and 2011 on the back of big infrastructure projects, its central bank chief said on Monday.

Last month, the government had projected growth of around 3.2 percent in 2010.

"The UAE economy will grow in 2010 and 2011 at an expected range of roughly 4 percent," central bank governor Nasser Al Suweidi told an Islamic finance conference in Singapore.

"The UAE is embarking on a few landmark projects like the Emirates railway, nuclear power generation for peaceful users and marine transportation network to service the region."

These projects were expected to add value and to help expand economic sectors which would lead to further diversification, Al Suweidi said..

However, the UAE economy is expected to lag its Gulf peers this year as banks in the world's third-largest oil exporter remain reluctant to lend following a Dubai debt restructuring.

Its banking system had weathered the financial crisis well as total assets to liabilities grew 4.2 percent to 1.5 trillion dirham, he said.

"The UAE is well-placed to take advantage of any growth in the economies of the countries in the region," Al Suweidi said.

Assets and liabilities of Islamic banks in the United Arab Emirates grew 6.5 percent in 2009, deposits grew 9.5 percent, while loans and advances rose about 5.5 percent, he said.