Oxford Economics Report on Why Dubai’s Aviation Model Works

Competitive aviation environment key to success in Dubai

DUBAI, UAE – 02 June 2011 – Emirates Airline and Dubai Airports today announced the results of a report conducted by leading global research firm, Oxford Economics, which examines Dubai’s aviation sector. The report finds the sector to be consensus-based, highly-competitive and consumer-centric; generating significant economic benefits for Dubai and the countries it connects. The 60-page report entitled, “Explaining Dubai’s Aviation Model,” further concludes that Dubai’s success is not evidence of unfair competition or government support but the result of an effective aviation model.

Economic Benefits
Oxford Economics’ research calculates Dubai’s aviation sector supports 125,000 total jobs in the emirate. The study also quantifies the wider catalytic benefits aviation generates through tourism and connectivity. As the overwhelming majority of foreign visitors who travel to Dubai arrive by air, Oxford calculates their spending supports nearly 134,000 jobs and contributes an additional US$7.9 billion to Dubai’s GDP. In total, aviation supports over 250,000 jobs and contributes over US$22 billion; representing around 19% of total employment in Dubai and 28% of Dubai’s GDP, according to the report. The report also examines the direct and flow-on economic benefits of ten case study countries.

“These benefits extend beyond the Dubai’s borders to the global economy through enhanced global tourism and trade via the provision of efficient and high quality air services,” said Adrian Cooper, CEO of Oxford Economics. “Air travellers and shippers using Dubai and Emirates Airline make an important contribution to many national economies.”

Success Factors
Dubai’s aviation sector has seen tremendous growth in a short timeframe. Over the past five years alone, international passenger numbers at Dubai International have virtually doubled from 24.8 million in 2005 to 47.2 million in 2010. Dubai International ranks fourth globally for international passenger and cargo traffic. Emirates’ passenger numbers have increased six-fold over the course of a decade, making it the largest airline in the world in terms of international revenue passenger kilometres.

“In some quarters this success is viewed with suspicion, being seen as evidence of government support and unfair competition,” added Cooper. “We looked at this in depth and conclude this view is incorrect.”

Oxford Economics notes that the sector’s success stems from government awareness of aviation’s economic importance, a consensus-based approach to investment, open competition, a focus on growth and linking underserved markets with efficient operations; plus Dubai’s favourable location at the intersection of Europe, Asia and Africa placing Dubai within eight hours flight of two-thirds of the world’s population.
**Future Growth**

Aviation’s importance to Dubai is expected to grow further over the next decade. Oxford Economic expects the economic contribution of the aviation sector to rise to US$44.5 billion or 32% of Dubai’s GDP and 372,900 jobs representing approximately 22% of its employment by 2020.

“Aviation is one of the main engines driving Dubai’s emergence as a global centre for trade, commerce and tourism,” said HH Sheikh Ahmed Bin Saeed Al Maktoum, Chairman and Chief Executive of Emirates Airline and Group, Chairman of Dubai Airports and President of Dubai Civil Aviation Authority. “That is why we have created a business and regulatory environment that supports its growth by encouraging open competition between all airlines, efficient operations and customer satisfaction. There is no magic here. It’s just good business.”

A summary of the report and the full Oxford Economics report, “Explaining Dubai’s Aviation Model,” can be found at: 

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**About Emirates Airline:**

Dubai-based Emirates Airline (www.emirates.com) is one of the fastest growing airlines in the world, and has received more than 400 international awards for excellence. Emirates flies to 111 destinations in 66 countries. The airline reported a net profit of USD$1.6 billion for the last fiscal year. Emirates operates 153 wide-body Airbus and Boeing aircraft, and has orders for an additional 200 aircraft, worth more than USD$66 billion.

**About Dubai Airports:**

Dubai Airports owns and manages the operation and development of both of Dubai’s airports – Dubai International as well as Dubai World Central. Dubai International is the fourth busiest airport in the world for international passenger and cargo traffic.

**About Oxford Economics:**

Oxford Economics is one of the world’s foremost global forecasting and research consultancies. Founded in 1981 as a joint venture with Templeton College, the business college of Oxford University, Oxford Economics has since grown into a major independent provider of global economic, industry and business analysis. A leader in quantitative analysis, Oxford Economics relies on detailed economic research and cutting-edge analytical tools to help our clients assess the opportunities, challenges and strategic choices they face now and in the future.

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