

# Infrastructure, jobs at heart of budget

> FROM PAGE 37

"The government's emphasis on security, justice and safety has been affirmed by the allocation of 21 per cent of the total expenditure to support this sector, develop it and enable it to play its vital role professionally and proactively. The government has also given its support to excellence, innovation and creativity sectors through the allocation of eight per cent of total spending to ensure performance development and assert the culture of excellence, innovation and creativity," a statement from the Government Media Office said.

While total spending is expected to increase 2.6 per cent, or Dh1.2 billion compared to Dh46.1 billion in 2016, total revenue is expected to decline even as government revenue from fees is projected to increase six per cent due to economic growth and the growth of sectors including tourism and retail.

Oil revenue is projected to represent six per cent of the total government revenue while government fees represent 76 per cent of revenue, with 16 per cent coming from tax and customs. Two per cent of total government revenues will be from government investment returns, as a vital contribution to supporting economic growth.

Allocation for salaries and wages represents 33 per cent of total expenditure, while general, administrative, grants and support spending represents 47 per cent, according to the Media Office.

The budget aims to provide more than 3,500 new jobs, underscoring the government's keenness on creating further job opportunities to ensure the satisfaction of the society. The budget expects a deficit of Dh2.5 billion which represents 0.6 per cent of the emirate's total gross domestic product, according to Dubai's Department of Finance.

Reflecting the targets and future commitments of Dubai Strategic Plan 2021, the budget features a significant rise in infrastructure spending by 27 per cent compared to 2016 to raise the efficiency of infrastructure to ensure that Dubai remains the first destination for work and tourism across all sectors.

The 2017 spending plan reflects the government's concern for social services, including healthcare, education, culture and housing, which contributed to the high rating of the UAE in global competitiveness indices, and ranking first in the happiness index regionally.

Abdulrahman Saleh Al Saleh, Director General, Department of Fi-



This is a balanced budget with equal focus on all residents of the UAE. It is a forward-looking and optimistic budget

**Dr B.R. Shetty,**

founder and CEO, NMC Healthcare.

nance for the Government of Dubai, said the budget expenditures recorded an increase of three per cent from the expenditures approved for 2016's budget, which reflects the expansion of the government and its determination to support the local economy.

He said the "Financial Regulations for the Government of Dubai Law," developed the general budget classification of the government entities. Some entities were put in a new order under the independent or annexed budgets, which led to the reduction of budget revenues and expenditures.

Al Saleh said the Dh2.5 billion deficit resulted from the reclassification of the budget and the 27 per cent increase in infrastructure expenditure. According to the Media Office statement, the restructuring of the budget and the new classification of entities resulted in a decrease in projected revenue figures for the fiscal year 2017 compared to 2016. "However, comparing revenue items for 2017 with 2016 make it obvious that the government expects an increase in fees revenues by six per cent. This is due to the economic growth of the emirate and the growth achieved in sectors such as tourism and retail."

The statement noted that Dubai has managed to achieve financial sustainability by achieving an operating surplus of Dh2.9 billion. "This illustrates the breadth of the financial solvency of Dubai. It also highlights its ability to finance all



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**Rizwan Sajjan,**

founder and chairman, Danube Group

operational expenditures and achieve a surplus without the need for oil revenues."

Business leaders lauded the budget. "The budget emphasises the fact that the Dubai government will keep on implementing projects to develop the infrastructure, which is deemed the essential motivator for the growth and development of any city in the world," said Mattar Al Tayer, director-general and chairman of the board of executive Directors of the Roads and Transport Authority.

"This reflects Shaikh Mohammed's efforts to achieve the happiness of all citizens, and provide the people of the UAE with the highest living standards, while enhancing the economy to ensure sustainable development in the emirate," Saeed Mohammed Al Tayer, managing director and CEO of the Dubai Electricity and Water Authority, said.

"The Dubai budget for 2017... comes as a great boost to the Dubai infrastructure industry. With the government's aim to create 3,500 jobs, we see positivity and a good outlook for the coming year," said Esam R. Al Mazroei, vice-chairman of Bahri & Mazroei Group.

"The Dh47.3 billion budget for Dubai is a big step in terms of aiding the common man, entrepreneurs and companies looking to invest in UAE. The commitment shown by Dubai government in adhering to minimal fiscal deficit and continuing infrastructure development for improving the quality of life in the country-sends a strong signal to global investors," said Thumbay Moideen, founder president of Thumbay Group. "This is a balanced budget. With 27 per cent more budgetary allocation to infrastructure vis-à-vis 2016 and the estimates of the rise in tourism and retail sectors, it is a forward-looking



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**Paras Shahdarpuri,**

chairman, Nikai Group of Companies

and optimistic budget," said Dr B.R. Shetty, founder and CEO of NMC Healthcare.

"I fully endorse the government's efforts to enrich the lives of the residents by creating more opportunities... Dubai is moving at a fast pace, with more and more investments directed towards infrastructure and public services, which in turn will increase the demand for quality materials and accelerate the overall economy of the emirate," said Rizwan Sajjan, founder and chairman of Danube Group.

"The Dubai 2017 budget is positive and pragmatic... over the years, Dubai has built a world-class city with awesome infrastructure to support it. The new projects will only enhance the reputation that Dubai has made for itself," said Paras Shahdarpuri, chairman of Nikai Group of Companies.

"New job creation would lead to an increase in the money transfer and foreign exchange business. It is promising for our industry. Infrastructure such as development of new communities would give an opportunity for further branch expansion as the economy continues to grow," said Rajiv Raipancholia, secretary of Foreign Exchange and Remittance Group.

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With inputs from Sandhya D'Mello, Deepthi Nair and Rohma Sadaqat

27%

surge in infrastructure spending

33%

represents allocation for salaries and wages of total expenditure