

Inflation and Consumer Price Index Emirate of Dubai 2010

Consumer Price Index considered as a principal base to show inflation indicator, which measure the periodic changes in goods and services prices during a specific period of time. The general increases in prices (Consumer Price Index) measure economic inflation and a direct measurement of purchasing power of money in various financial operations which include goods and services. Inflation is usually calculate monthly and compared with the previous period. It depends on base year, where weights of goods and services calculated according to families' expenditure on these goods and services. 2007 is chosen as a base year by using this year family expenditures and income survey results. Based on this, goods and services have been divided into 12 main expenditure groups, according to Classification of Individual Consumption According to Purpose (COICOP).

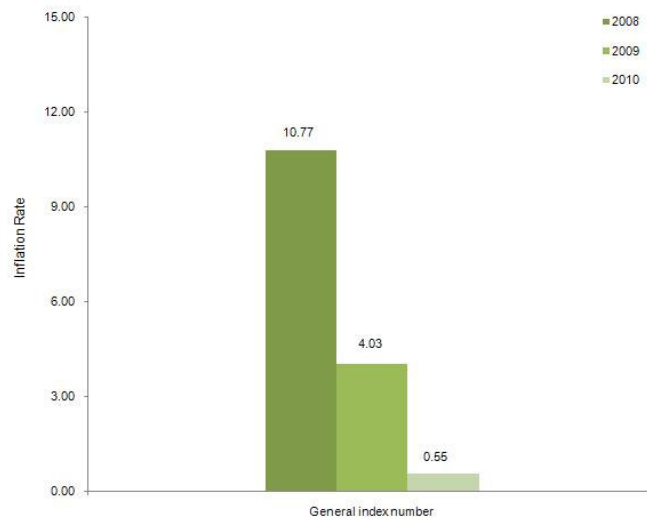
General Index Number (CPI)

The Inflation rate of 2010 is 0.55% compared to 2009, due to increase in the prices of Education group 9.04%, Transport group 6.64%, Health group 3.43%, Miscellaneous Goods and Services group 2.09%, Food and Non-Alcoholic Beverages group 1.90%, Restaurants and Hotels group 1.43%, Furnishings, Household Equipment and Routine Household Maintenance group 1.10%, Recreations and Culture 0.53, Clothing and Footwear group 0.44%, Alcoholic Beverages and Tobacco group 0.33%,. On the other hand, inflation rate for communication group declined by 10.59% and Housing, Water, Electricity, Gas, and other Fuels group by 1.25%. Table (1) and Chart (1) shows Inflation Rate for Main Expenditure Groups (2008-2010).

Table (1): Inflation Rate for Main Expenditure Groups (2008-2010).

Expenditure groups	Weight	2008	2009	2010
General index number	100.00	10.77	4.03	0.55
Food and Non-Alcoholic Beverages	11.08	21.06	2.15	1.90
Alcoholic Beverages and Tobacco	0.24	5.65	5.61	0.33
Clothing and Footwear	5.52	19.54	9.86	0.44
Housing, Water, Electricity, Gas, and other Fuels	43.70	5.60	2.41	(1.25)
Furnishings, Household Equipment and Routine Household Maintenance	3.34	13.76	3.33	1.10
Health	1.08	6.66	5.31	3.43
Transport	9.08	8.95	4.36	6.64
Communication	6.00	1.71	(0.17)	(10.59)
Recreations and Culture	4.24	2.85	2.55	0.53
Education	4.09	18.49	18.60	9.04
Restaurants and Hotels	5.48	25.49	7.36	1.43
Miscellaneous Goods and Services	6.15	19.17	3.69	2.09

Chart (1): Inflation Rate for Main Expenditure Groups (2008-2010)



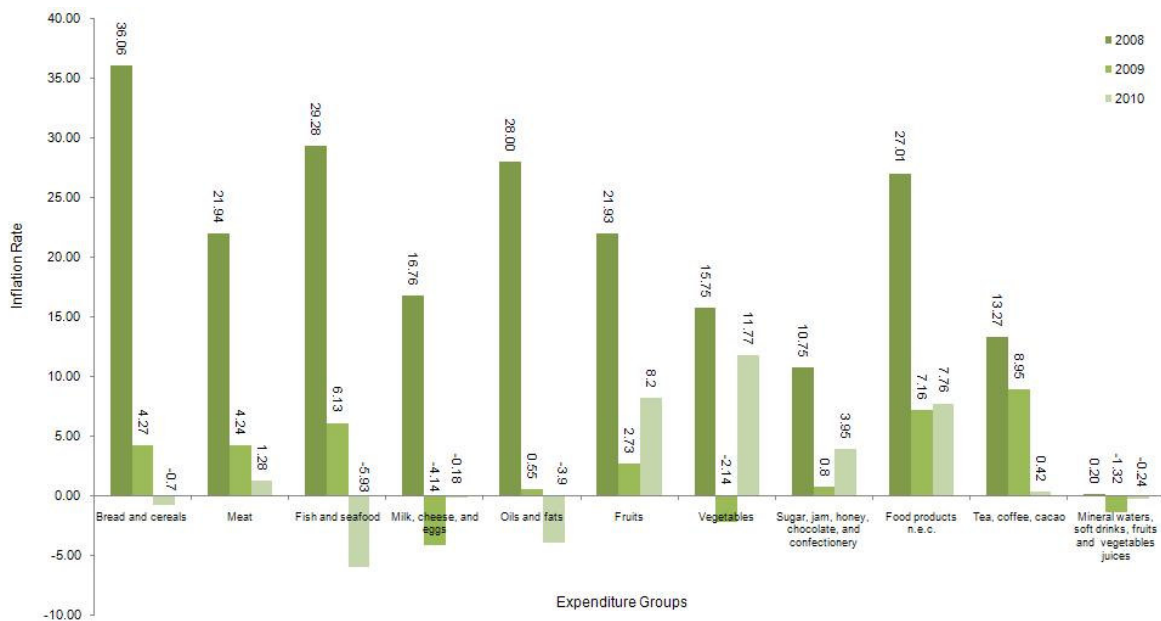
Food and Non-Alcoholic Beverages

Food and Non-Alcoholic Beverages inflation rate amounted to 1.90%, with highest increase in the prices of Vegetables at 11.77%. Followed by, Fruits prices by 8.20% and Food Products n.e.c prices by 7.76. Table (2) and Chart (2) shows Inflation Rate for Food and Non-Alcoholic Beverages group (2008-2010).

Table (2): Inflation Rate for Food and Non-Alcoholic Beverages group (2008-2010).

2007 = 100				
Expenditure groups	Weight	2008	2009	2010
Food and non-alcoholic beverages	11.08	21.06	2.15	1.90
Bread and cereals	1.45	36.06	4.27	(0.70)
Meat	2.10	21.94	4.24	1.28
Fish and seafood	1.20	29.28	6.13	(5.93)
Milk, cheese, and eggs	1.27	16.76	(4.14)	(0.18)
Oils and fats	0.39	28.00	0.55	(3.90)
Fruits	1.32	21.93	2.73	8.20
Vegetables	1.25	15.75	(2.14)	11.77
Sugar, jam, honey, chocolate, and confectionery	0.58	10.75	0.80	3.95
Food products n.e.c.	0.32	27.01	7.16	7.76
Tea, coffee, cacao	0.30	13.27	8.95	0.42
Mineral waters, soft drinks, fruits and vegetables juices	0.90	0.20	(1.32)	(0.24)

Chart (2): Inflation Rate for Food and Non-Alcoholic Beverages group (2008-2010)



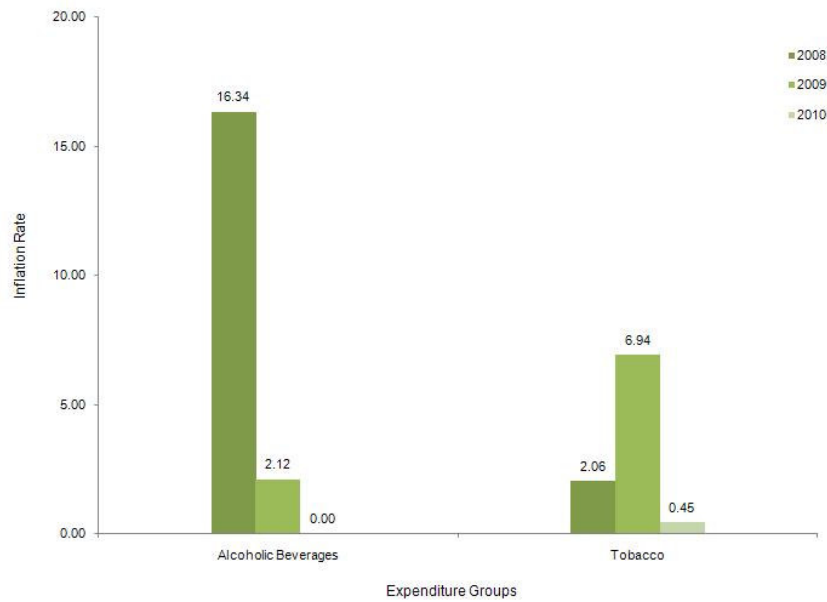
Alcoholic Beverages and Tobacco

Alcoholic Beverages and Tobacco group inflation rate reached 0.33%, due to the increase in prices of Tobacco by 0.45%, while Alcoholic Beverages prices stable at its previous levels. Table (3) and Chart (3) shows Inflation Rate for Alcoholic Beverages and Tobacco group(2008-2010).

Table (3): Inflation Rate for Alcoholic Beverages and Tobacco group (2008-2010).

2007 = 100				
Expenditure groups	Weight	2008	2009	2010
Alcoholic Beverages and Tobacco	0.24	5.65	5.61	0.33
Alcoholic Beverages	0.06	16.34	2.12	-
Tobacco	0.18	2.06	6.94	0.45

Chart (3): Inflation Rate for Alcoholic Beverages and Tobacco group (2008-2010)



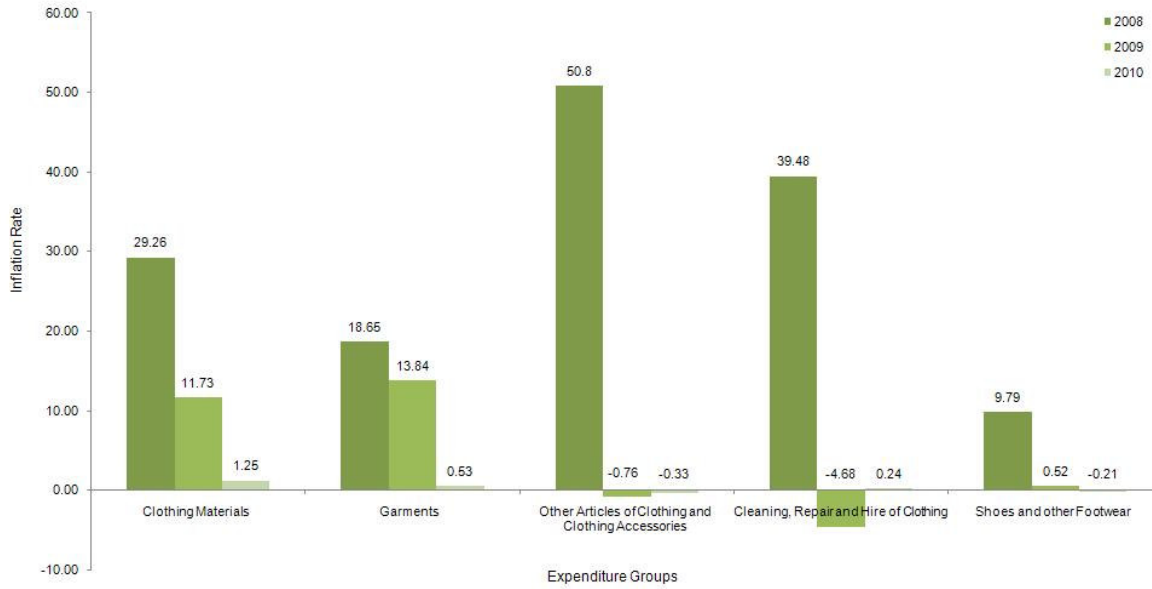
Clothing and Footwear

Clothing and Footwear group inflation rate reached 0.44%. Clothing Materials obtained highest inflation rate at 1.25%, followed by Garments at 0.53% and Cleaning, Repair and Hire of Clothing by 0.24%. Table (4) and Chart (4) shows Inflation Rate for Clothing and Footwear group (2008-2010).

Table (4): Inflation Rate for Clothing and Footwear group (2008-2010).

Expenditure groups	Weight	2007 = 100		
		2008	2009	2010
Clothing and Footwear	5.52	19.54	9.86	0.44
Clothing Materials	0.34	29.26	11.73	1.25
Garments	3.77	18.65	13.84	0.53
Other Articles of Clothing and Clothing Accessories	0.06	50.80	(0.76)	(0.33)
Cleaning, Repair and Hire of Clothing	0.39	39.48	(4.68)	0.24
Shoes and other Footwear	0.96	9.79	0.52	(0.21)

Chart (4): Inflation Rate for Clothing and Footwear group (2008-2010)



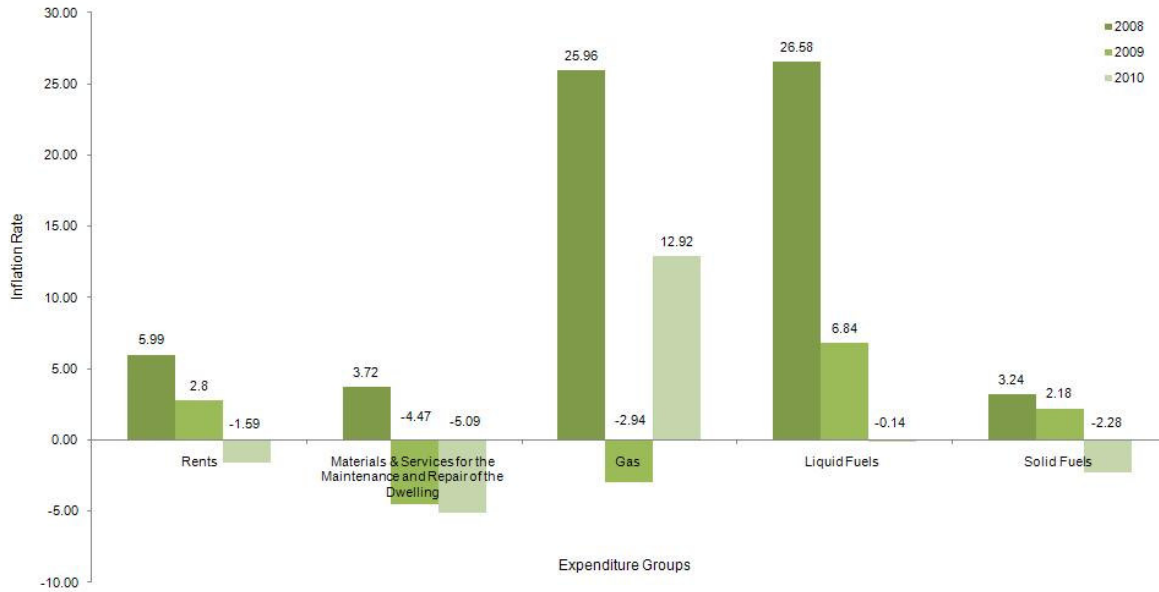
Housing, Water, Electricity, Gas, and other Fuels

Housing, Water, Electricity, Gas, and other Fuels group inflation rate decreased to 1.25%, due to the declined in the prices of Materials & Services for the Maintenance and Repair of the Dwelling by 5.09%, followed by Solid Fuels prices by 2.28% and Rents by 1.59%. Table (5) and Chart (5) shows Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group (2008-2010).

Table (5): Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Housing, Water, Electricity, Gas, and other Fuels	43.70	5.60	2.41	(1.25)
Rents	38.33	5.99	2.80	(1.59)
Materials & Services for the Maintenance and Repair of the Dwelling	0.22	3.72	(4.47)	(5.09)
Water Supply	1.41	-	-	-
Electricity	3.19	-	-	-
Gas	0.51	25.96	(2.94)	12.92
Liquid Fuels	0.02	26.58	6.84	(0.14)
Solid Fuels	0.02	3.24	2.18	(2.28)

Chart (5): Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group (2008-2010)



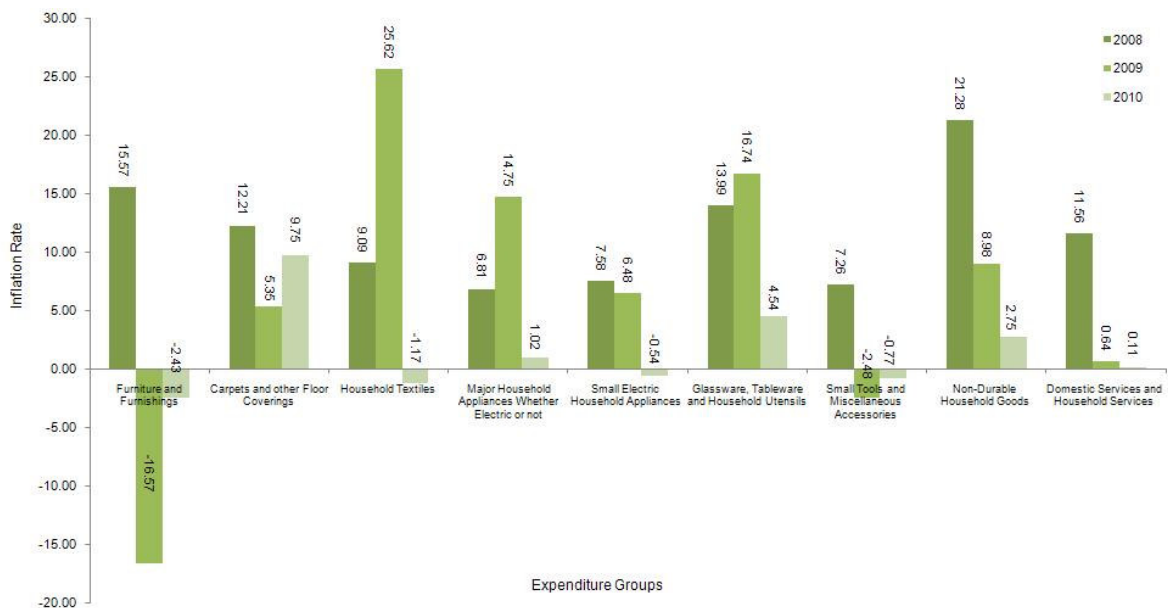
Furnishings, Household Equipment and Routine Household Maintenance

Furnishings, Household Equipment and Routine Household Maintenance group inflation rate reached 1.10%, due to increase in Carpets and other Floor Coverings prices by 9.75%, Glassware, Tableware and Household Utensils prices by 4.54%, and 2.75% for prices of Non-Durable Household Goods. Table (6) and Chart (6) shows Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group (2008-2010).

Table (6): Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Furnishings, Household Equipment and Routine Household Maintenance	3.34	13.76	3.33	1.10
Furniture and Furnishings	0.37	15.57	(16.57)	(2.43)
Carpets and other Floor Coverings	0.03	12.21	5.35	9.75
Household Textiles	0.07	9.09	25.62	(1.17)
Major Household Appliances Whether Electric or not	0.14	6.81	14.75	1.02
Small Electric Household Appliances	0.01	7.58	6.48	(0.54)
Glassware, Tableware and Household Utensils	0.40	13.99	16.74	4.54
Small Tools and Miscellaneous Accessories	0.04	7.26	(2.48)	(0.77)
Non-Durable Household Goods	0.61	21.28	8.98	2.75
Domestic Services and Household Services	1.67	11.56	0.64	0.11

Chart (6): Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group (2008-2010)



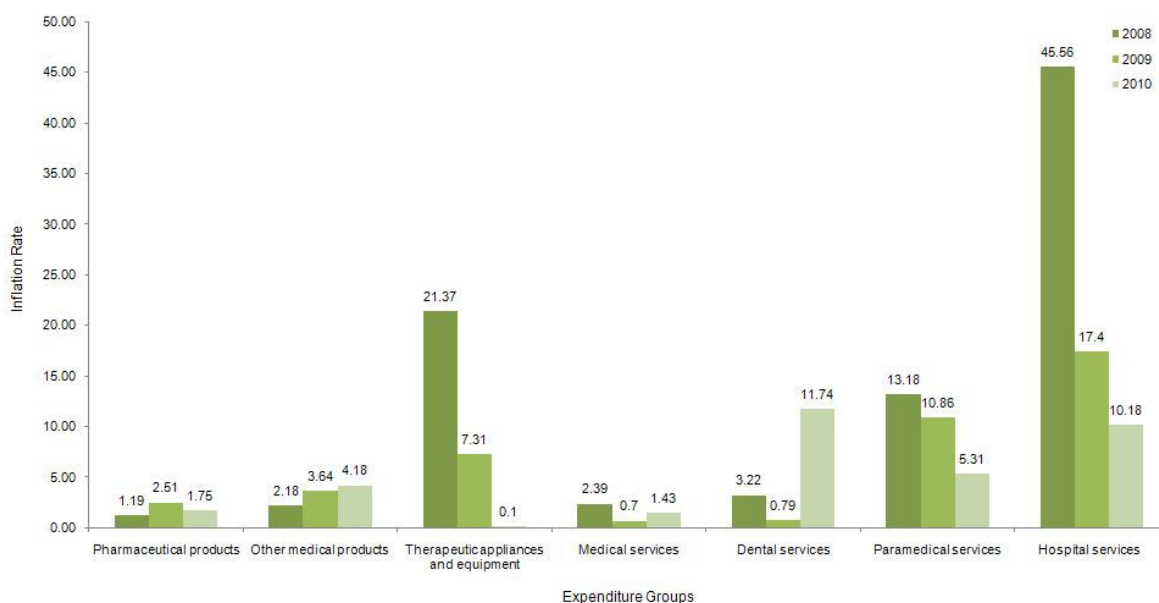
Health

Health group inflation rate amounted to 3.43%, due to the raise in the prices of Dental Services by 11.74, prices of Hospital Services by 10.18%, and Paramedical Services prices by 5.31%. Table (7) and Chart (7) shows Inflation Rate for Health group (2008-2010).

Table (7): Inflation Rate for health group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Health	1.08	6.66	5.31	3.43
Pharmaceutical products	0.73	1.19	2.51	1.75
Other medical products	0.04	2.18	3.64	4.18
Therapeutic appliances and equipment	0.02	21.37	7.31	0.10
Medical services	0.04	2.39	0.70	1.43
Dental services	0.02	3.22	0.79	11.74
Paramedical services	0.15	13.18	10.86	5.31
Hospital services	0.08	45.56	17.40	10.18

Chart (7): Inflation Rate for health group (2008-2010)



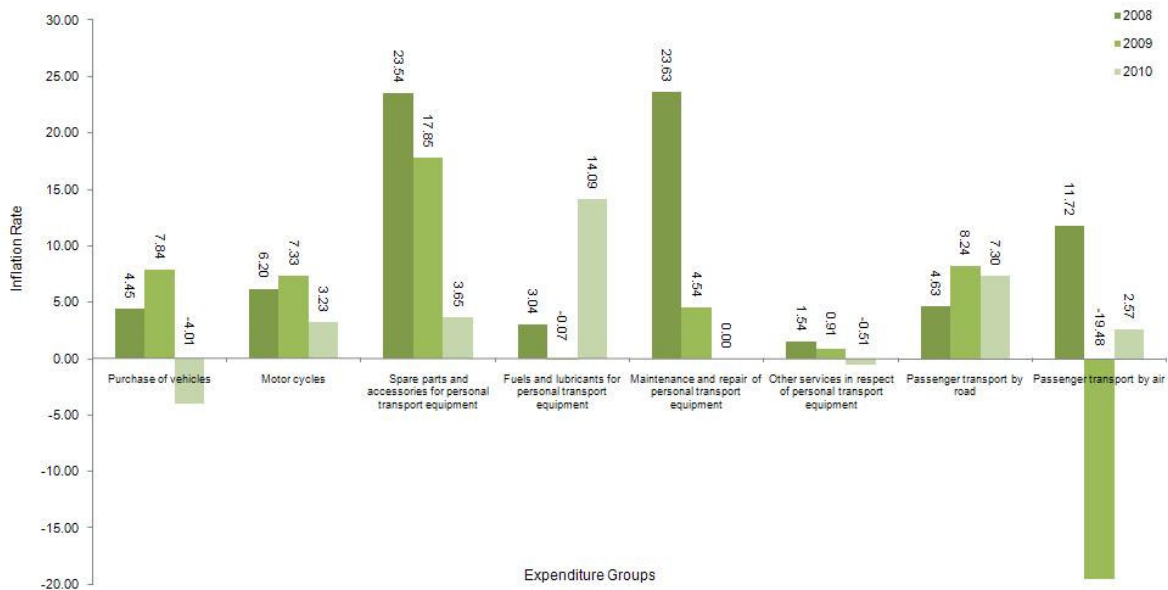
Transport

Transport group inflation rate reached 6.64%. As a result of increase in the prices of Fuels and Lubricants for Personal Transport Equipment by 14.09%, followed by prices of Passenger Transport by Road by 7.30% and Spare Parts and Accessories for Personal Transport Equipment prices by 3.65%. Table (8) and Chart (8) shows Inflation Rate for Transport group (2008-2010).

Table (8): Inflation Rate for Transport group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Transport	9.08	8.95	4.36	6.64
Purchase of vehicles	1.17	4.45	7.84	(4.01)
Motor cycles	0.01	6.20	7.33	3.23
Spare parts and accessories for personal transport equipment	1.08	23.54	17.85	3.65
Fuels and lubricants for personal transport equipment	4.47	3.04	(0.07)	14.09
Maintenance and repair of personal transport equipment	1.41	23.63	4.54	-
Other services in respect of personal transport equipment	0.46	1.54	0.91	(0.51)
Passenger transport by road	0.39	4.63	8.24	7.30
Passenger transport by air	0.09	11.72	(19.48)	2.57

Chart (8): Inflation Rate for Transport group (2008-2010)



Communication

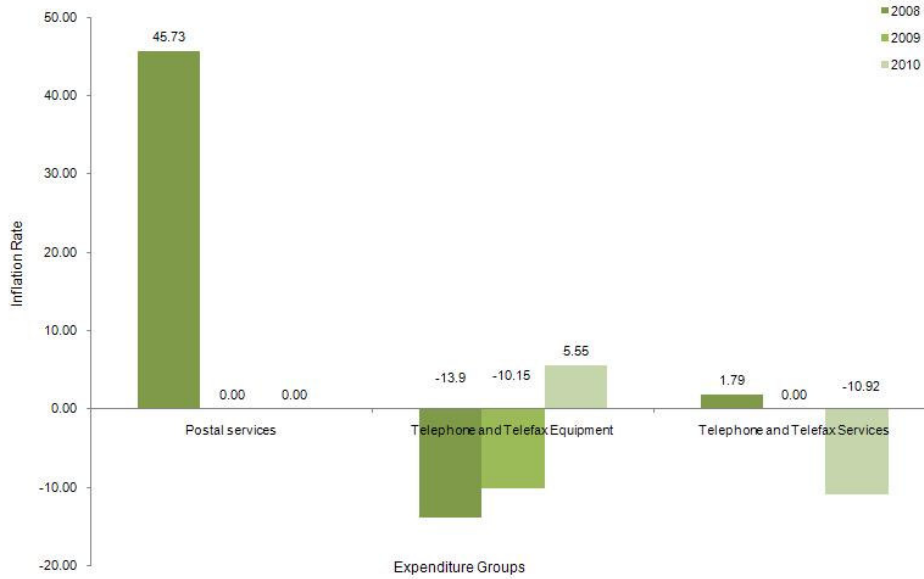
Communication group inflation rate declined by 10.59%, due to the decrease in Telephone and Telefax Services prices by 10.92, whereas the prices of Telephone and Telefax Equipment increased by 5.55%. Table (9) and Chart (9) shows Inflation Rate for Communication group (2008-2010).

Table (9): Inflation Rate for communication group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Communication	6.00	1.71	(0.17)	(10.59)
Postal services	0.03	45.73	-	-
Telephone and Telefax Equipment	0.12	(13.90)	(10.15)	5.55
Telephone and Telefax Services	5.85	1.79	-	(10.92)

2007 = 100

Chart (9): Inflation Rate for Communication group (2008-2010)



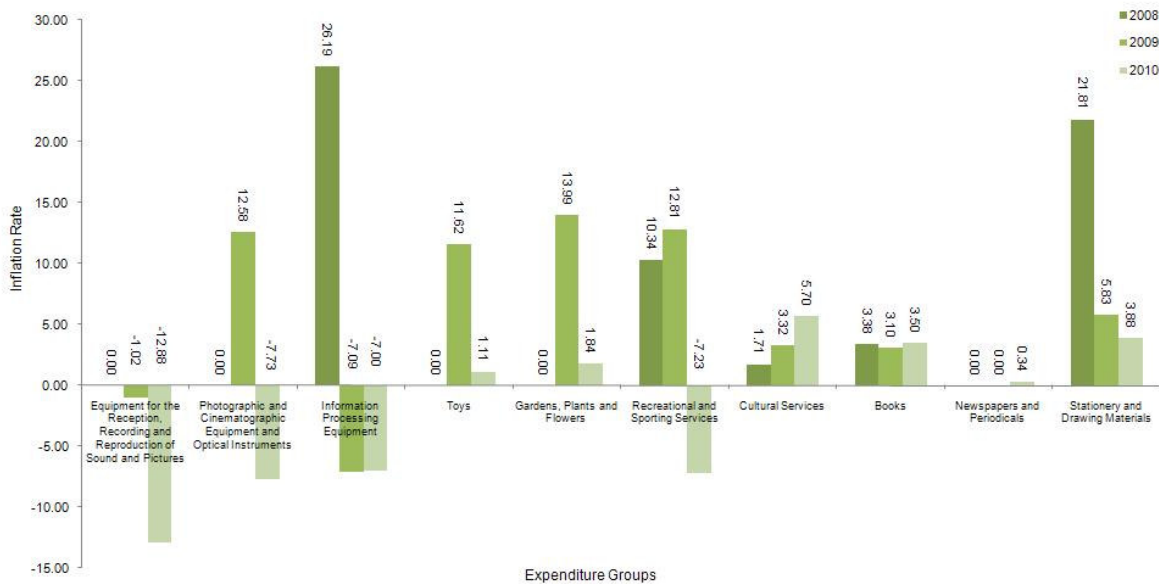
Recreation and Culture

Recreation and Culture group inflation rate amounted to 0.53%, due to high increase in the price of Cultural Services by 5.70%. Followed by, prices of Stationery and Drawing Materials by 3.88%. Then Books prices by 3.50%. Table (10) and Chart (10) shows Inflation Rate for Recreation and Culture group (2008-2010).

Table (10): Inflation Rate for Recreation and Culture group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Recreation and Culture	4.24	2.85	2.55	0.53
Equipment for the Reception, Recording and Reproduction of Sound and Pictures	0.11	-	(1.02)	(12.88)
Photographic and Cinematographic Equipment and Optical Instruments	0.05	-	12.58	(7.73)
Information Processing Equipment	0.06	26.19	(7.09)	(7.00)
Toys	0.16	-	11.62	1.11
Gardens, Plants and Flowers	0.08	-	13.99	1.84
Recreational and Sporting Services	0.25	10.34	12.81	(7.23)
Cultural Services	0.61	1.71	3.32	5.70
Books	0.15	3.38	3.10	3.50
Newspapers and Periodicals	2.48	-	-	0.34
Stationery and Drawing Materials	0.29	21.81	5.83	3.88

Chart (10): Inflation Rate for Recreation and Culture group (2008-2010)



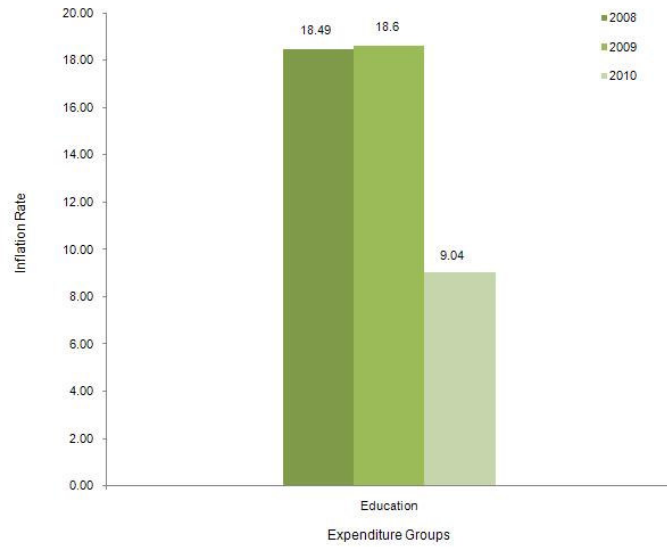
Education

Education inflation rate has increased by 9.04%, due to Tuition Fees. Table (11) and Chart (11) shows Inflation Rate for Education group (2008-2010).

Table (11): Inflation Rate for Education group (2008-2010).

2007 = 100				
Expenditure groups	Weight	2008	2009	2010
Education	4.09	18.49	18.60	9.04
Education	4.09	18.49	18.60	9.04

Chart (11): Inflation Rate for Education group (2008-2010)



Restaurants and Hotels

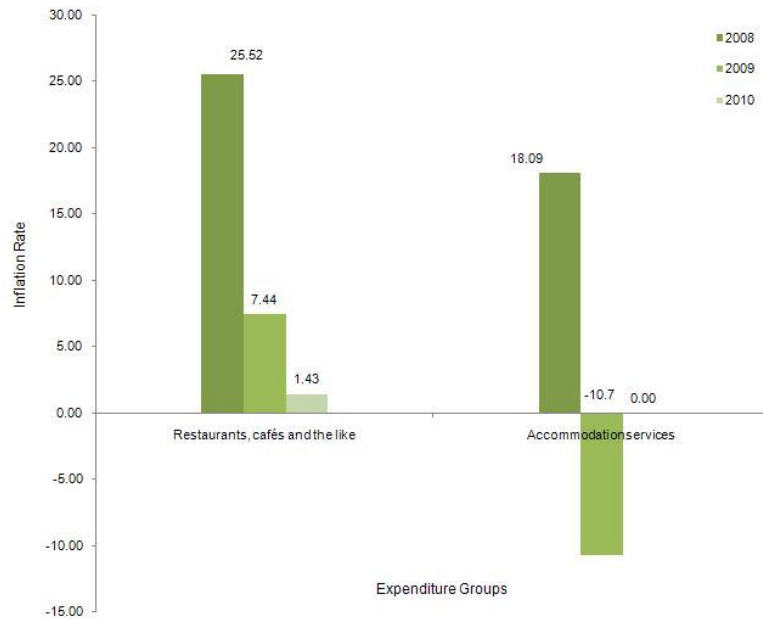
Restaurants and Hotels group inflation rate reached 1.43% due to high increase in prices of Restaurants, Cafes and the like by 1.43%, while Accommodation Services prices stable at its previous levels. Table (12) and Chart (12) shows Inflation Rate for Restaurants and Hotels group (2008-2010).

Table (12): Inflation Rate for Restaurants and Hotels group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Restaurants and hotels	5.48	25.49	7.36	1.43
Restaurants, cafés and the like	5.45	25.52	7.44	1.43
Accommodation services	0.03	18.09	(10.70)	-

2007 = 100

Chart (12): Inflation Rate for Restaurants and Hotels group (2008-2010)



Miscellaneous Goods and Services

Miscellaneous Goods and Services group reached 2.09%. Due to increase in the prices of Jewellery, Clocks and Watches by 14.44%, Personal Care Services prices by 9.46%, and prices of Other Services n.e.c. by 1.46%. Table (13) and Chart (13) shows Inflation Rate for Miscellaneous Goods and Services group (2008-2010).

Table (13): Inflation Rate for Miscellaneous Goods and Services group (2008-2010).

Expenditure groups	Weight	2008	2009	2010
Miscellaneous Goods and Services	6.15	19.17	3.69	2.09
Personal care Services	0.78	22.14	1.86	9.46
Electric Appliances for Personal Care	0.02	27.65	2.33	0.87
Other Appliances, Articles and Products for Personal Care	2.34	19.02	4.72	1.26
Jewellery, Clocks and Watches	0.29	18.18	11.85	14.44
Other Personal Effects	0.05	13.18	8.36	(0.45)
Health Insurance	0.41	-	-	-
Transport Insurance	1.53	31.19	3.33	(1.70)
Other Services n.e.c.	0.73	2.55	1.13	1.46

Chart (13): Inflation Rate for Miscellaneous Goods and Services group (2008-2010)

