

## Inflation in Consumer Price Index

### First Quarter 2016 - Emirate of Dubai

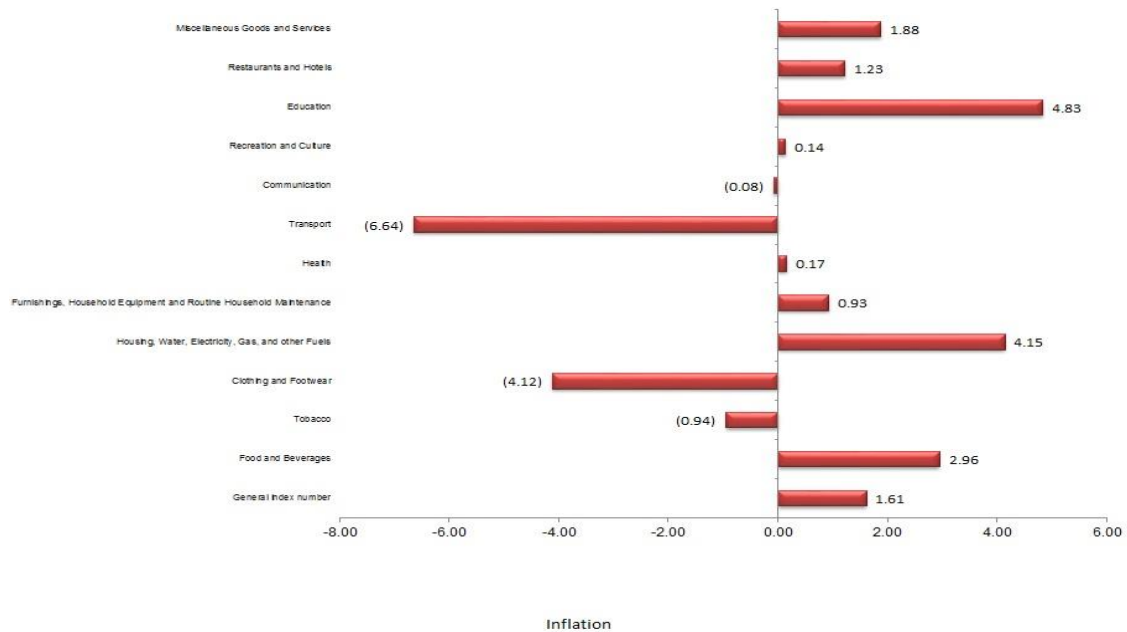
Inflation Rate in the Emirate of Dubai record 1.61% in the First Quarter of 2016 compared to the same period of 2015. This is due to an increase in the prices of Education group by 4.83% where this group form 4.09% of total relative importance in the consumer basket. Housing, Water, Electricity, Gas, and other Fuels group increased by 4.15% and this group considered as the highest group in the relative importance in the consumer basket by 43.70%. Food and Beverages group increased by 2.96% and it has a relative importance impact to the consumer basket by 11.08%. Miscellaneous Goods and Services group reached to 1.88% where this group accounted for 6.15% of the total weight of the consumer basket. Restaurants and Hotels group increased by 1.23% it form 5.48% in the relative importance of the consumer basket. Furnishings, Household Equipment and Routine Household Maintenance group increased by 0.93% and accounted for 3.34% from the total weight of the consumer basket. Health group grew by 0.17% and this group has a relative importance of 1.08% in the consumer basket. Recreation and Culture group increased by 0.14% and it has a relative importance impact to the consumer basket by 4.24%. While the prices of other groups deflates as follows: Transport group decreased by 6.64% and the relative importance of this group to the consumer basket total is 9.08%. Clothing and Footwear group decreased by 4.12% forming 5.52% of consumer basket weight. Tobacco group dropped by 0.94% with an effect of 0.24% in the consumer basket, and Communication group records a decrease by 0.08% and it has a relative importance of 6.00% to the consumer basket. As shown in table (1).

Table (1) | Inflation and Consumer Price Index in First Quarter 2015 - 2016

2007 = 100

Expenditure groups	Weight	CPI		Inflation Rate (%)
		First Quarter 2015	First Quarter 2016	
General index number	100.00	123.06	125.05	1.61
Food and Beverages	11.08	139.85	143.98	2.96
Tobacco	0.24	149.34	147.94	(0.94)
Clothing and Footwear	5.52	131.76	126.34	(4.12)
Housing, Water, Electricity, Gas, and other Fuels	43.70	109.09	113.62	4.15
Furnishings, Household Equipment and Routine Household Maintenance	3.34	142.94	144.26	0.93
Health	1.08	125.14	125.34	0.17
Transport	9.08	133.88	124.99	(6.64)
Communication	6.00	92.47	92.40	(0.08)
Recreation and Culture	4.24	108.08	108.23	0.14
Education	4.09	178.53	187.16	4.83
Restaurants and Hotels	5.48	150.86	152.71	1.23
Miscellaneous Goods and Services	6.15	134.73	137.27	1.88

Figure (1) | Inflation in Consumer Price Index - First Quarter 2015 – 2016



## **Inflation rate in major expenditure groups:**

### **Food and Beverages**

Prices of Food and Beverages Group increased by 2.96%. Because of an increase in the prices of Fish and seafood by 19.61%, due to bad weather and climate change in the first quarter of 2016 compared to the same period of 2015. Followed by an increase in the prices of Vegetables by 6.06% and prices of Mineral waters, soft drinks and juices increased by 3.05%.

### **Tobacco**

Inflation rate of Tobacco group decreased by 0.94%, due to a decrease in the prices of other commodities in the group by 2.83% and prices of Tobacco by 0.41%.

### **Clothing and Footwear**

The prices of Clothing and Footwear group decreased by 4.12%, due to a decrease in the prices of Garments by 5.64%, in addition, the prices of Shoes and other Footwear decreased by 1.32%.

### **Housing, Water, Electricity, Gas, and other Fuels**

Inflation rate of Housing, Water, Electricity, Gas, and other Fuel group increased by 4.15%. As the prices of Rents increased by 4.98%.

### **Furnishings, Household Equipment and Routine Household Maintenance**

Inflation rate of Furnishings, Household Equipment and Routine Household Maintenance group increased to record 0.93%. As a result of an increase in the prices of Glassware, Tableware and Household Utensils by 5.53%. Followed by an increase in the prices of Carpets and other Floor Coverings by 2.79%. Furthermore, the prices of Small Tools and Miscellaneous Accessories rise by 2.78%.

### **Health**

Inflation rate of Health group reached 0.17%. Because of an increase in the prices of Other Medical products by 1.04%, followed by an increase in the prices of Hospital services by 0.53% and the prices of Dental services increased by 0.43%.

## **Transport**

Inflation rate of Transport group dropped to 6.64%, with the highest decrease in the prices of Fuels and lubricants for personal transport equipment by 12.82% after the announcement by the Ministry of Energy regarding deregulation of fuel prices in the UAE since August 2015. In addition to that, prices of Motor cycles and prices of Purchase of vehicles decreased by 7.70% and 3.76% respectively.

## **Communication**

Communication group prices decreased to record 0.08%. As a result of the decrease in the prices of Wireless and Wired Equipment by 5.51%, further, the prices of Postal services declined to 1.63%.

## **Recreation and Culture**

Inflation rate of Recreation and Culture group increased by 0.14%. Due to an increase in the prices of Cultural Services by 3.09%, followed by the prices of Books by 0.42%.

## **Education**

Inflation rate of Education group has increased by 4.83%, As a result of an increase in the fees of Education not definable by level by 9.09%, followed by Post-secondary non-tertiary education fees by 6.48% and Secondary education fees by 4.36%.

It is worth to mention that the Consumer price index (CPI) - Education Group inflation measures the changes in tuition fees of schools and Post-secondary non-tertiary level, and it is different from cost of education index (ECI). Where (ECI) measures the operating expenses for schools.

## **Restaurants and Hotels**

Inflation rate of Restaurants and Hotels group reached 1.23%, due to an increase in the prices of Restaurants, Cafés and the like by 1.24%.

## **Miscellaneous Goods and Services**

Inflation rate of Miscellaneous Goods and Services group increased by 1.88%. As the prices of Electric Appliances for Personal Care increased by 8.16%, followed by an increase in Transport Insurance prices by 7.85%. Additionally, the prices of Personal care Services increased by 2.56%.