

Inflation in Consumer Price

Emirate of Dubai

2019

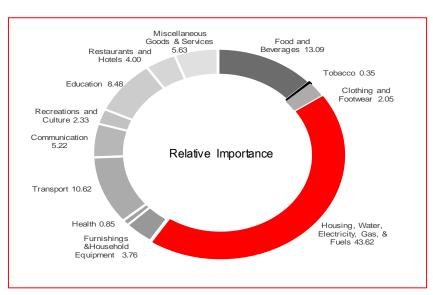








Consumer Price Index considered as a principal base to present the inflation indicator, which measure the periodic changes of the goods and services prices during a specific period of time. The general increases in prices (Consumer Price Index) measure economic inflation and a direct measurement of purchasing power of money in various financial operations which include goods and services. Inflation is usually calculate on a monthly basis and compared with the previous period. It depends on base year, where weights of goods and services calculated according to household expenditure on these goods and services. 2014 has been set as a base year by using this year family expenditures and income survey results. The goods and services have been divided according to Classification of Individual Consumption According to Purpose (COICOP), into 12 main expenditure divisions, as the following, Food and Beverages division has a relative importance impact to the consumer basket by 13.09%, whereas, Tobacco division has an effect of 0.35% in the consumer basket, and Clothing and Footwear division form 2.05% of consumer basket weight. Moreover, Housing, Water, Electricity, Gas, and other Fuels division considered as the highest division in the relative importance in the consumer basket by 43.62%, Furnishings, Household Equipment and Routine Household Maintenance division form 3.76% of total relative importance in the consumer basket. In addition, Health division has an effect of 0.85% in the consumer basket, the relative importance of Transport division to the consumer basket total is 10.62%, Communication division has a relative importance of 5.22% to the consumer basket. Additionally, Recreation and Culture division form 2.33% of total relative importance in the consumer basket, Education division accounted for 8.48% from the total weight of the consumer basket. Restaurants and Hotels division form 4.00% in the relative importance of the consumer basket, Finally, Miscellaneous Goods and Services division accounted for 5.63% of the total weight of the consumer basket. As illustrated in chart (1).



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Chart 1 Relative Importance for Main Expenditure divisions





General Inflation

Inflation rate of 2019 decreased to 2.98% compared to 2018, while in 2018 inflation rate increased by 1.50%, as shown in chart (2).

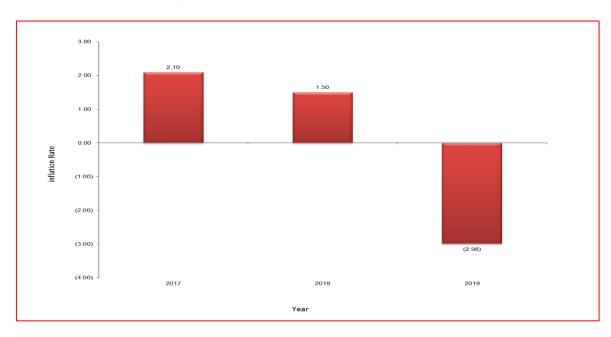


Chart 2 Inflation Rate for 2017 - 2019

This deflation was due to the decrease in the prices of consumer basket indices, Housing, Water, Electricity, Gas, and other Fuels division declined by 6.01%, which reduced inflation 2.58 points. Transport division decreased by 3.93%, which reduced inflation 0.44 points. Miscellaneous Goods and Services division decreased to 1.88%, which reduced inflation 0.11 points. Clothing and Footwear division decreased by 4.64%, which reduced inflation 0.09 points. While Communication division decreased by 0.07%. Health division decreased by 0.06%.

On the other hand, Restaurants and Hotels division inflation rate is 1.95%, which pushed inflation 0.08 points. Then an increase by 0.50% in the prices of Education division, which pushed inflation 0.05 points. Recreation and culture division increased by 2.14%, which pushed inflation 0.04 points. Furnishings, Household Equipment and Routine Household Maintenance division increased by 0.98%, which pushed inflation 0.04 points. Food and Beverages division increased by 0.16%, which pushed inflation 0.02 points. While the prices of Tobacco division increased by 2.36%, which pushed inflation 0.01 points.

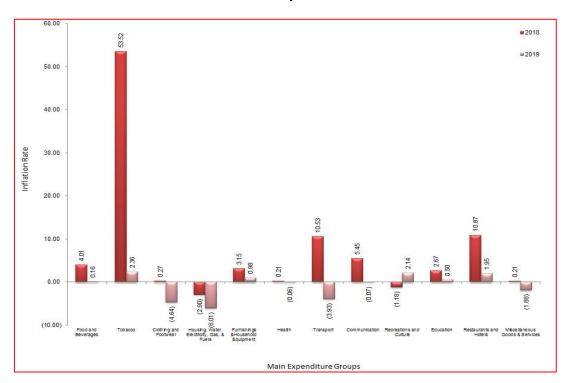


Table 1 Inflation Rate for Main Expenditure divisions 2017 - 2019

2014 = 100

Evpanditura divisione	Weight	Per	rcentage Ch	nange
Expenditure divisions	weight	2017	2018	2019
General Index Number	100.00	2.10	1.50	(2.98)
Food and Beverages	13.09	0.45	4.01	0.16
Tobacco	0.35	9.00	53.52	2.36
Clothing and Footwear	2.05	4.41	0.27	(4.64)
Housing, Water, Electricity, Gas, and other Fuels	43.62	0.88	(2.90)	(6.01)
Furnishings, Household Equipment and Routine Household Maintenance	3.76	(0.66)	3.15	0.98
Health	0.85	(0.08)	0.21	(0.06)
Transport	10.62	6.11	10.53	(3.93)
Communication	5.22	(0.29)	5.45	(0.07)
Recreations and Culture	2.33	(8.58)	(1.18)	2.14
Education	8.48	4.88	2.67	0.50
Restaurants and Hotels	4.00	2.70	10.87	1.95
Miscellaneous Goods and Services	5.63	11.18	0.21	(1.88)

Chart 3 Inflation Rate for Main Expenditure divisions 2018 - 2019





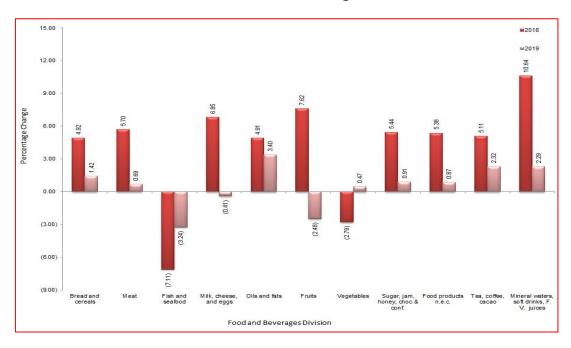
Food and Beverages

Food and Beverages division change rate was 0.16%, with highest increase in the prices of Oils and fats by 3.40%, followed by an increase in the prices of Tea, coffee and cacao by 2.32%, then prices of Mineral waters, soft drinks, fruits and vegetables juices increased by 2.29%, as shown in table (2) and chart (4).

Table 2 Inflation Rate for Food and Beverages division 2017 - 2019

Division / Group	Weight	Р	Percentage Change		
Division / Group	weight	2017	2018	2019	
Food and beverages	13.09	0.45	4.01	0.16	
Bread and cereals	2.01	(0.06)	4.92	1.42	
Meat	2.29	0.07	5.70	0.69	
Fish and seafood	1.33	(2.64)	(7.11)	(3.24)	
Milk, cheese and eggs	1.36	(0.17)	6.85	(0.41)	
Oils and fats	0.43	0.16	4.91	3.40	
Fruits	1.81	(1.69)	7.62	(2.48)	
Vegetables	1.41	6.82	(2.79)	0.47	
Sugar, jam, honey, chocolate and confectionery	0.57	0.54	5.44	0.91	
Food products n.e.c.	0.61	0.57	5.38	0.87	
Tea, coffee and cacao	0.30	(0.34)	5.11	2.32	
Mineral waters, soft drinks, fruits and vegetables juices	0.97	1.80	10.64	2.29	

Chart 4 Inflation Rate for Food and Beverages division 2018 - 2019







Tobacco

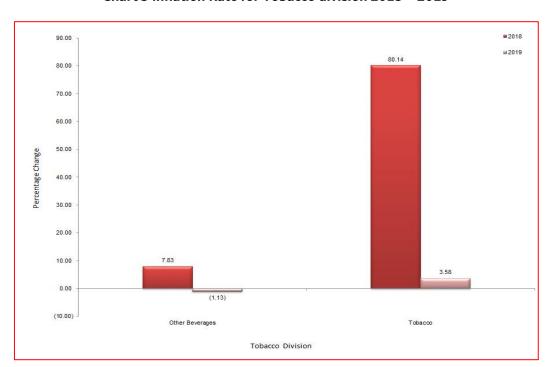
Tobacco division change rate reached 2.36%, due to an increase in the prices of Tobacco by 3.58%, as shown in table (3) and chart (5).

Table 3 Inflation Rate for Tobacco division 2017 - 2019

2014 = 100

Division / Group	Waidht	Pe	ercentage Chang	e
Division / Group	Weight	Weight 2017		2019
Tobacco	0.35	9.00	53.52	2.36
Other beverages	0.14	2.48	7.83	(1.13)
Tobacco	0.21	13.20	80.14	3.58

Chart 5 Inflation Rate for Tobacco division 2018 - 2019







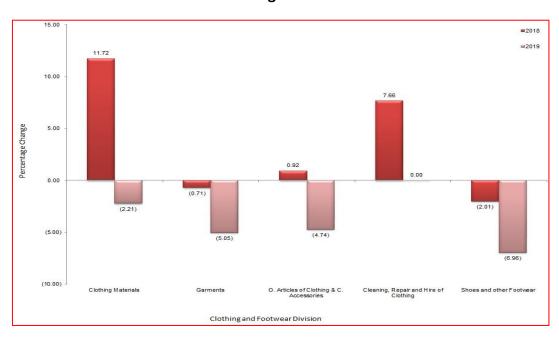
Clothing and Footwear

Clothing and Footwear division change rate decreased to 4.64%, due to a decrease in the prices of Shoes and other Footwear by 6.96%, followed by Garments prices by 5.05%, then a decrease by 4.74% in the prices of Other Articles of Clothing and Clothing Accessories, as shown in table (4) and chart (6).

Table 4 Inflation Rate for Clothing and Footwear division 2017 – 2019

Division / Group	Weight		Percentage Change		
Division / Group	Weight		2018	2019	
Clothing and Footwear	2.05	4.41	0.27	(4.64)	
Clothing Materials	0.03	10.50	11.72	(2.21)	
Garments	1.45	6.63	(0.71)	(5.05)	
Other Articles of Clothing and Clothing Accessories	0.03	(0.07)	0.92	(4.74)	
Cleaning, Repair and Hire of Clothing	0.25	-	7.66	=	
Shoes and other Footwear	0.29	(3.78)	(2.01)	(6.96)	

Chart 6 Inflation Rate for Clothing and Footwear division 2018 - 2019







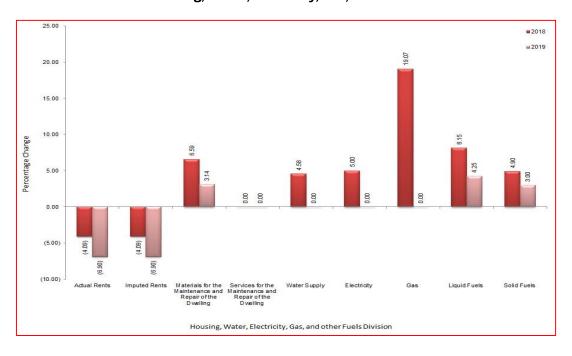
Housing, Water, Electricity, Gas, and other Fuels

Housing, Water, Electricity, Gas, and other Fuels division change rate decreased to 6.01%, due to the decrease in the prices of Actual Rents and Imputed rents by 6.90%, as shown in table (5) and chart (7).

Table 5 Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels division 2017 – 2019

Division / Group	Weight	Р	ercentage Ch	ange
Division / Group	weight	2017	2018	2019
Housing, Water, Electricity, Gas, and other Fuels	43.62	0.88	(2.90)	(6.01)
Actual Rents	22.56	0.83	(4.09)	(6.90)
Imputed Rents	15.30	0.83	(4.09)	(6.90)
Materials for the Maintenance and Repair of the Dwelling	0.03	1.40	6.59	3.14
Services for the Maintenance and Repair of the Dwelling	0.13	-	-	=
Water Supply	1.53	-	4.58	=
Electricity	3.49	-	5.00	-
Gas	0.58	15.78	19.07	=
Liquid Fuels	<0.01	3.49	8.15	4.25
Solid Fuels	0.01	1.00	4.90	3.00

Chart 7 Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels division 2018 – 2019







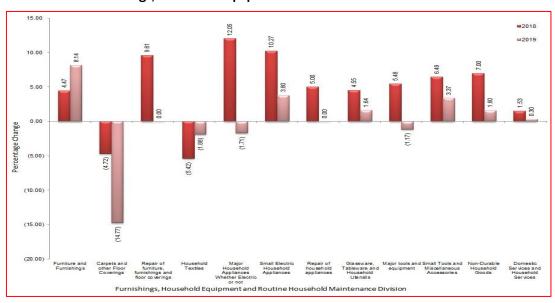
Furnishings, Household Equipment and Routine Household Maintenance

Furnishings, Household Equipment and Routine Household Maintenance division change rate amounted to 0.98%, due to an increase in the prices of Furniture and Furnishings by 8.14%, followed by prices of Small Electric Household Appliances by 3.80%, then an increase in the prices of Small Tools and Miscellaneous Accessories by 3.37%, as shown in table (6) and chart (8).

Table 6 Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance division 2017 – 2019

		_	014 - 100	
Waight	Per	Percentage Change		
weight	2017	2018	2019	
3.76	(0.66)	3.15	0.98	
0.38	(5.56)	4.47	8.14	
0.06	(0.60)	(4.72)	(14.77)	
<0.01	(4.20)	9.61	-	
0.04	(8.57)	(5.42)	(1.88)	
0.14	(0.93)	12.05	(1.71)	
0.01	(0.55)	10.27	3.80	
<0.01	-	5.00	-	
0.02	(2.94)	4.55	1.64	
<0.01	0.13	5.48	(1.17)	
<0.01	(2.36)	6.49	3.37	
0.84	(80.0)	7.00	1.60	
2.26	-	1.53	0.30	
	0.38 0.06 <0.01 0.04 0.14 0.01 <0.01 0.02 <0.01 <0.01	Weight 2017 3.76 (0.66) 0.38 (5.56) 0.06 (0.60) <0.01	Percentage Ch 2017 2018 3.76 (0.66) 3.15 0.38 (5.56) 4.47 0.06 (0.60) (4.72) <0.01	

Chart 8 Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance division 2018 – 2019







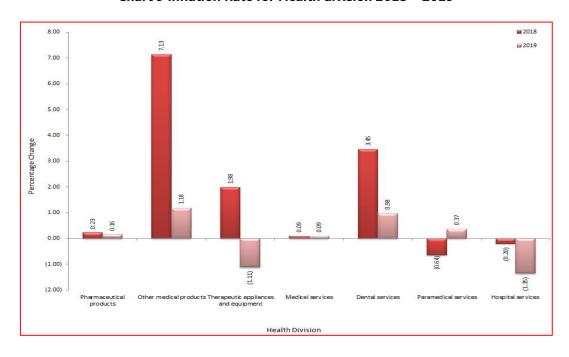
Health

Health division change rate decreased by 0.06%, due to the decrease in the prices of Hospital services by 1.35%, then a decrease in the prices of Therapeutic appliances and equipment by 1.11%, as shown in table (7) and chart (9).

Table 7 Inflation Rate for Health division 2017 - 2019

Division / Group	Weight	P	ercentage Ch	ange
Division / Group	weight	2017	2018	2019
Health	0.85	(0.08)	0.21	(0.06)
Pharmaceutical products	0.34	(3.95)	0.23	0.16
Other medical products	0.01	2.79	7.13	1.18
Therapeutic appliances and equipment	0.01	1.38	1.98	(1.11)
Medical services	0.12	4.03	0.09	0.09
Dental services	0.04	5.57	3.45	0.98
Paramedical services	0.16	1.12	(0.64)	0.37
Hospital services	0.16	1.60	(0.20)	(1.35)

Chart 9 Inflation Rate for Health division 2018 - 2019







Transport

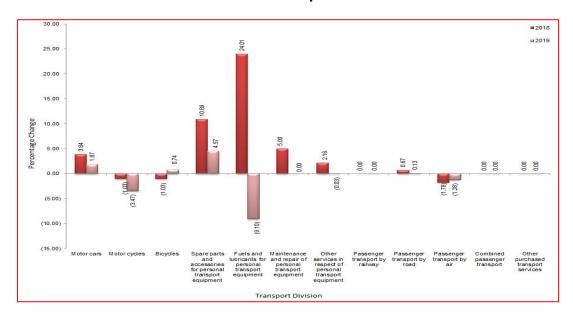
Transport division change rate declined by 3.93%. Because of a decrease in the prices of Fuels and lubricants for personal transport equipment by 9.10%. In addition to that, prices of Motor cycles decreased by 3.47%, then the prices of Passenger transport by air decreased by 1.28%, as shown in table (8) and chart (10).

Table 8 Inflation Rate for Transport division 2017 - 2019

2014 = 100

Division / Cusus		Pe	ercentage Ch	ange
Division / Group	Weight	2017	2018	2019
Transport	10.62	6.11	10.53	(3.93)
Motor cars	1.15	(1.19)	3.84	1.87
Motor cycles	<0.01	(1.83)	(1.03)	(3.47)
Bicycles	<0.01	(1.87)	(1.03)	0.74
Spare parts and accessories for personal transport equipment	0.03	4.06	10.89	4.57
Fuels and lubricants for personal transport equipment	3.96	14.77	24.01	(9.10)
Maintenance and repair of personal transport equipment	1.32	-	5.00	-
Other services in respect of personal transport equipment	1.57	6.09	2.16	(0.03)
Passenger transport by railway	0.04	-	-	-
Passenger transport by road	0.62	0.33	0.67	0.13
Passenger transport by air	1.71	(0.67)	(1.78)	(1.28)
Combined passenger transport	0.20	-	-	-
Other purchased transport services	0.01	-	-	-

Chart 10 Inflation Rate for Transport division 2018 - 2019







Communication

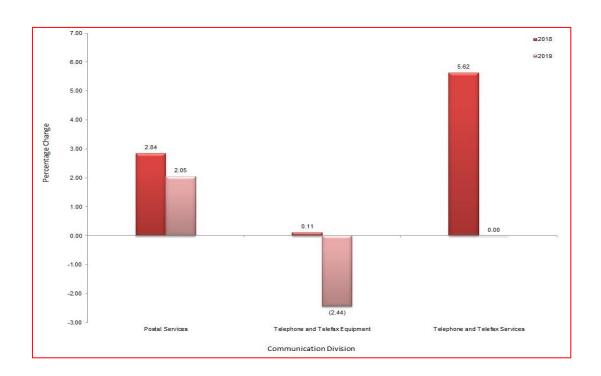
Communication division change rate decreased to 0.07%, due to the decrease in the prices of Telephone and Telefax Equipment by 2.44%, as shown in table (9) and chart (11).

Table 9 Inflation Rate for Communication division 2017 - 2019

2014 = 100

Division / Group	Weight	Pe	ercentage Change		
Division / Group	weight	2017	2018	2019	
Communication	5.22	(0.29)	5.45	(0.07)	
Postal Services	<0.01	2.95	2.84	2.05	
Telephone and Telefax Equipment	0.20	(8.61)	0.11	(2.44)	
Telephone and Telefax Services	5.02	-	5.62	-	

Chart 11 Inflation Rate for Communication division 2018 – 2019





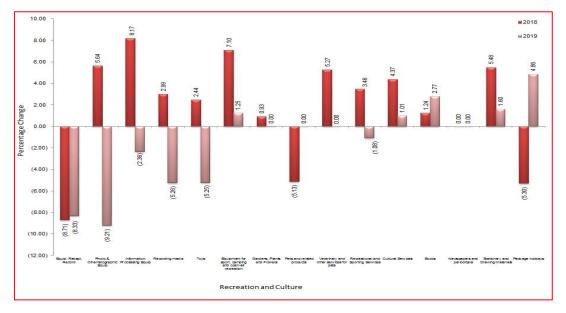
Recreation and Culture

Recreation and Culture division change rate increased by 2.14%, due to an increase in the prices of Holiday Packages by 4.86%, followed by prices of Books by 2.77%, then an increase in the prices of Stationery and Drawing Materials by 1.60%, as shown in table (10) and chart (12).

Table 10 Inflation Rate for Recreation and Culture division 2017 - 2019

Division / Group	\\\a:-b+	Perc	entage Cl	nange
Division / Group	Weight	2017	2018	2019
Recreation and Culture	2.33	(8.58)	(1.18)	2.14
Equipment for the Reception, Recording and Reproduction of Sound and Pictures	0.09	(4.93)	(8.71)	(8.33)
Photographic and Cinematographic Equipment and Optical Instruments	0.02	(2.00)	5.64	(9.21)
Information Processing Equipment	0.11	(2.58)	8.17	(2.36)
Recording media	<0.01	(7.00)	2.99	(5.26)
Toys	0.02	(3.35)	2.44	(5.25)
Equipment for sport, camping and open-air recreation	0.02	(3.12)	7.10	1.25
Gardens, Plants and Flowers	0.06	(1.91)	0.93	-
Pets and related products	0.07	-	(5.13)	-
Veterinary and other services for pets	<0.01	0.47	5.27	-
Recreational and Sporting Services	0.16	-	3.46	(1.08)
Cultural Services	0.42	(0.24)	4.37	1.01
Books	0.03	3.18	1.24	2.77
Newspapers and Periodicals	0.04	-	-	-
Stationery and Drawing Materials	0.10	3.22	5.48	1.60
Holidays Packages	1.19	(15.51	(5.30)	4.86

Chart 12 Inflation Rate for Recreation and Culture division 2018 - 2019







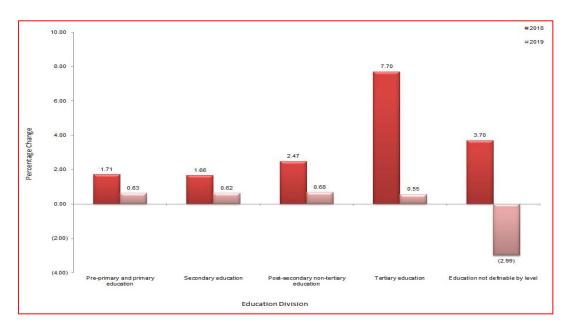
Education

Education division change rate has increased by 0.50%, due to an increase by 0.68% in the fees of Post-secondary non-tertiary education, followed by an increase in the fees of Pre-primary and primary education by 0.63% and by 0.62% the fees of Secondary education increased. It is worth to mention that the Consumer price index (CPI) - Education Division change 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, as shown in table (11) and chart (13).

Table 11 Inflation Rate for Education division 2017 - 2019

Division / Group	Weight -	F	Percentage Ch	ange
Division / Group	weight	2017	2018	2019
Education	8.48	4.88	2.67	0.50
Pre-primary and primary education	4.57	5.24	1.71	0.63
Secondary education	2.32	4.99	1.66	0.62
Post-secondary non-tertiary education	0.03	7.95	2.47	0.68
Tertiary education	1.29	4.36	7.70	0.55
Education not definable by level	0.27	0.13	3.70	(2.99)

Chart 13 Inflation Rate for Education division 2018 - 2019







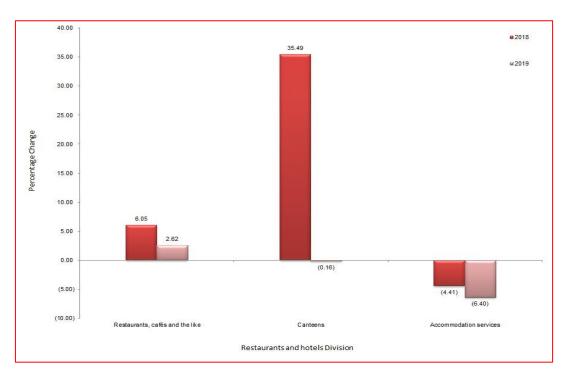
Restaurants and Hotels

Restaurants and Hotels division records an increase of 1.95%, due to an increase in the prices of Restaurants, cafés and the like by 2.62%, as shown in table (12) and chart (14).

Table 12 Inflation Rate for Restaurants and Hotels division 2017 - 2019

Division / Group	Weight	Pe	Percentage Change			
Division / Group	weight	2017	2018	2019		
Restaurants and Hotels	4.00	2.70	10.87	1.95		
Restaurants, cafés and the like	3.25	2.50	6.05	2.62		
Canteens	0.69	4.38	35.49	(0.16)		
Accommodation services	0.06	(5.38)	(4.41)	(6.40)		

Chart 14 Inflation Rate for Restaurants and Hotels division 2018 – 2019







Miscellaneous Goods and Services

Miscellaneous Goods and Services division change rate declined by 1.88%, due to a decrease in Transport Insurance prices by 9.67%, followed by Other Personal Effects prices by 6.02%, then a decrease of 3.42% in the prices of Electric Appliances for Personal Care, as shown in table (13) and chart (15).

Table 13 Inflation Rate for Miscellaneous Goods and Services division 2017 - 2019

				2014 - 100
Division / Group	Weight	Percentage Change		
		2017	2018	2019
Miscellaneous Goods and Services	5.63	11.18	0.21	(1.88)
Personal care Services	1.28	(0.77)	5.46	0.36
Electric Appliances for Personal Care	<0.01	(2.82)	6.83	(3.42)
Other Appliances, Articles and Products for Personal Care	2.39	0.12	4.22	1.20
Jewellery, Clocks and Watches	0.20	0.60	5.29	8.65
Other Personal Effects	0.09	(7.44)	6.02	(6.02)
Rehabilitation services	<0.01	3.85	-	=
Children Day Nurseries	0.01	=	1.52	4.02
Health Insurance	<0.01	=	10.98	9.75
Transport Insurance	1.11	53.80	(9.01)	(9.67)
Financial services n.e.c.	0.06	0.65	4.37	2.16
Other Services n.e.c.	0.47	(1.91)	(0.99)	(0.46)

Chart 15 Inflation Rate for Miscellaneous Goods and Services division 2018 - 2019

