

Inflation and Consumer Price Index

Emirate of Dubai 2009

Consumer Price Index considered as a principal base to show inflation indicator, which measure the periodic changes in consumer 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 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).

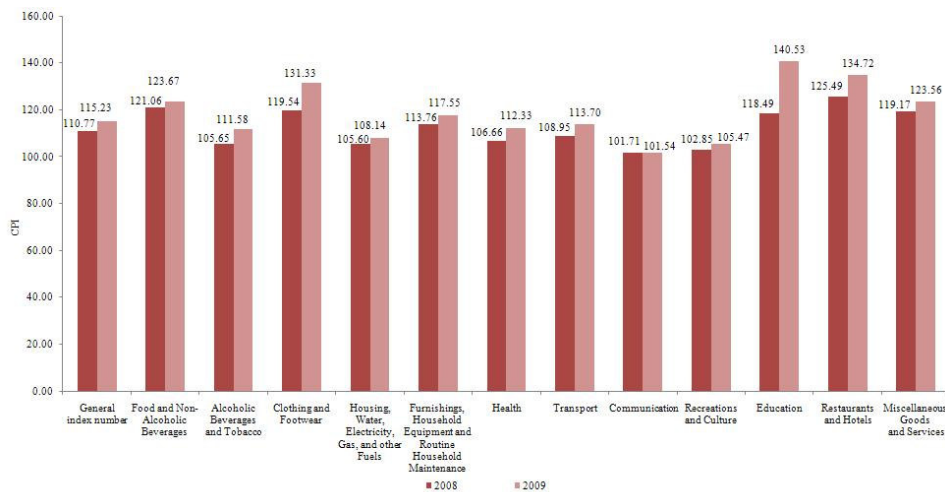
General Index Number (CPI)

The Inflation rate of 2009 is 4.03% compared to 2008. Education group obtained highest inflation rate at 18.60%, followed by Clothing and Footwear group by 9.86%, Restaurants and Hotels group by 7.36%, Alcoholic Beverages and Tobacco group by 5.61%, Health group by 5.31%, Transport group by 4.36%, Miscellaneous Goods and Services group by 3.69%, Furnishings, Household Equipment and Routine Household Maintenance group by 3.33%, Recreations and Culture by 2.55, Housing, Water, Electricity, Gas, and other Fuels group by 2.41%, Food and Non-Alcoholic Beverages group by 2.15%. On the other hand, the inflation rate for communication group declined by 0.17%. Table (1) and Chart (1) shows CPI and Inflation Rate (2008-2009).

Table (1): CPI and Inflation Rate (2008-2009).

2007 = 100				
Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
General index number	100.00	110.77	115.23	4.03
Food and Non-Alcoholic Beverages	11.08	121.06	123.67	2.15
Alcoholic Beverages and Tobacco	0.24	105.65	111.58	5.61
Clothing and Footwear	5.52	119.54	131.33	9.86
Housing, Water, Electricity, Gas, and other Fuels	43.70	105.60	108.14	2.41
Furnishings, Household Equipment and Routine Household Maintenance	3.34	113.76	117.55	3.33
Health	1.08	106.66	112.33	5.31
Transport	9.08	108.95	113.70	4.36
Communication	6.00	101.71	101.54	-0.17
Recreations and Culture	4.24	102.85	105.47	2.55
Education	4.09	118.49	140.53	18.60
Restaurants and Hotels	5.48	125.49	134.72	7.36
Miscellaneous Goods and Services	6.15	119.17	123.56	3.69

Chart (1): CPI (2008-2009).



Food and Non-Alcoholic Beverages

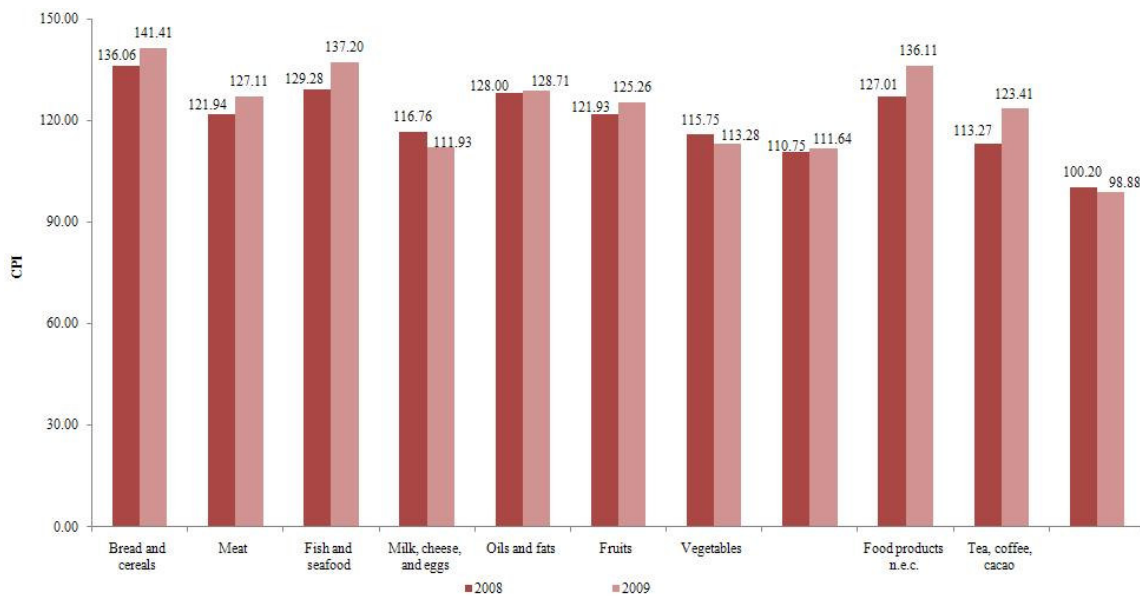
Food and Non-Alcoholic Beverages inflation rate amounted to 2.15%, with highest rate in Tea, coffee, cacao group at 8.95%. Followed by, Food products n.e.c. group by 7.16%, Fish and Seafood group by 6.13%. Table (2) and Chart (2) shows CPI and Inflation Rate for Food and Non-Alcoholic Beverages group (2008-2009).

Table (2): CPI and Inflation Rate for Food and Non-Alcoholic Beverages group (2008-2009).

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Food and non-alcoholic beverages	11.08	121.06	123.67	2.15
Bread and cereals	1.45	136.06	141.41	4.27
Meat	2.10	121.94	127.11	4.24
Fish and seafood	1.20	129.28	137.20	6.13
Milk, cheese, and eggs	1.27	116.76	111.93	-4.14
Oils and fats	0.39	128.00	128.71	0.55
Fruits	1.32	121.93	125.26	2.73
Vegetables	1.25	115.75	113.28	-2.14
Sugar, jam, honey, chocolate, and confectionery	0.58	110.75	111.64	0.80
Food products n.e.c.	0.32	127.01	136.11	7.16
Tea, coffee, cacao	0.30	113.27	123.41	8.95
Mineral waters, soft drinks, fruits and vegetables juices	0.90	100.20	98.88	-1.32

Chart (2): CPI for Food and Non-Alcoholic Beverages group (2008-2009).



Alcoholic Beverages and Tobacco

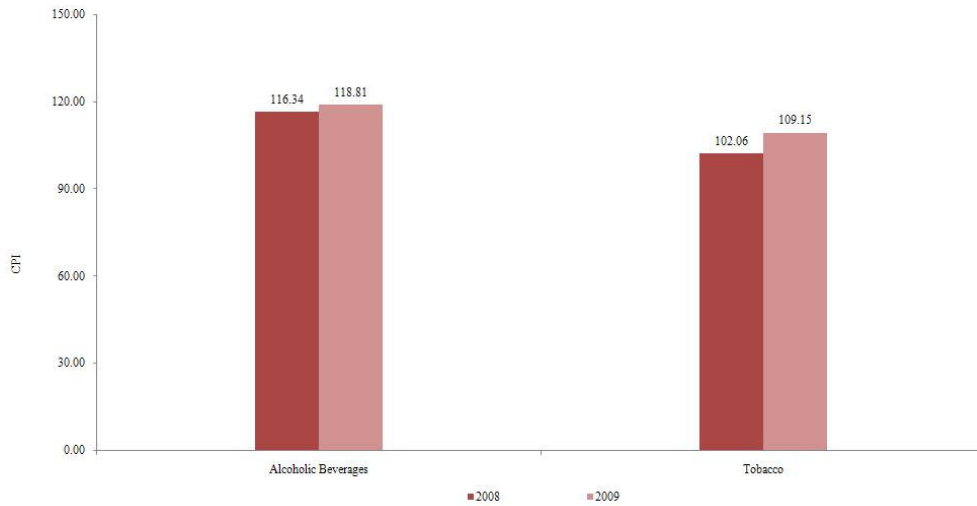
Alcoholic Beverages and Tobacco group inflation rate reached 5.61%, due to the increase in prices of Tobacco by 6.94%, and Alcoholic Beverages by 2.12%. Table (3) and Chart (3) shows CPI and Inflation Rate for Alcoholic Beverages and Tobacco group(2008-2009).

Table (3): CPI and Inflation Rate for Alcoholic Beverages and Tobacco group (2008-2009).

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Alcoholic Beverages and Tobacco	0.24	105.65	111.58	5.61
Alcoholic Beverages	0.06	116.34	118.81	2.12
Tobacco	0.18	102.06	109.15	6.94

2007 = 100

Chart (3): CPI for Alcoholic Beverages and Tobacco group (2008-2009).



Clothing and Footwear

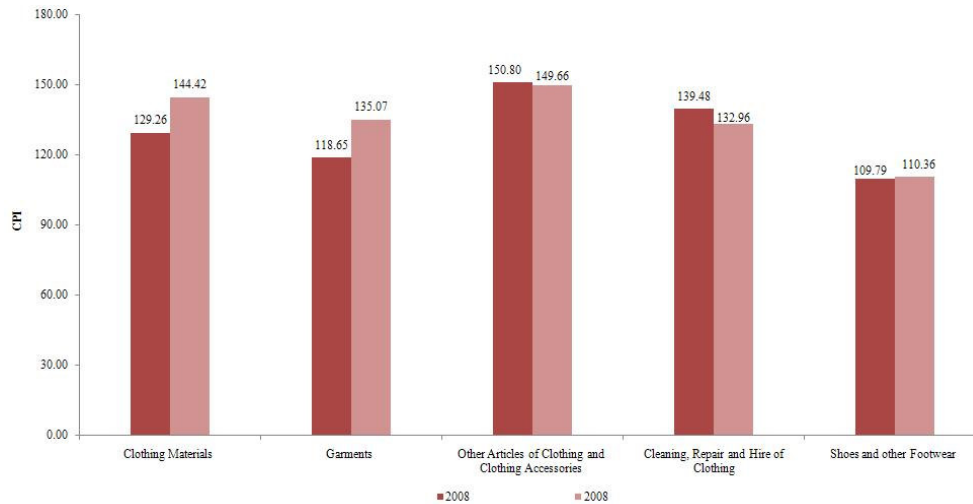
Clothing and Footwear group inflation rate reached 9.86%. Garments obtained highest inflation rate at 13.84%, followed by Clothing Materials at 11.73%, Shoes and other Footwear by 0.52%. Table (4) and Chart (4) shows CPI and Inflation Rate for Clothing and Footwear group (2008-2009).

Table (4): CPI and Inflation Rate for Clothing and Footwear group (2008-2009).

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Clothing and Footwear	5.52	119.54	131.33	9.86
Clothing Materials	0.34	129.26	144.42	11.73
Garments	3.77	118.65	135.07	13.84
Other Articles of Clothing and Clothing Accessories	0.06	150.80	149.66	-0.76
Cleaning, Repair and Hire of Clothing	0.39	139.48	132.96	-4.68
Shoes and other Footwear	0.96	109.79	110.36	0.52

Chart (4): CPI for Clothing and Footwear group (2008-2009).



Housing, Water, Electricity, Gas, and other Fuels

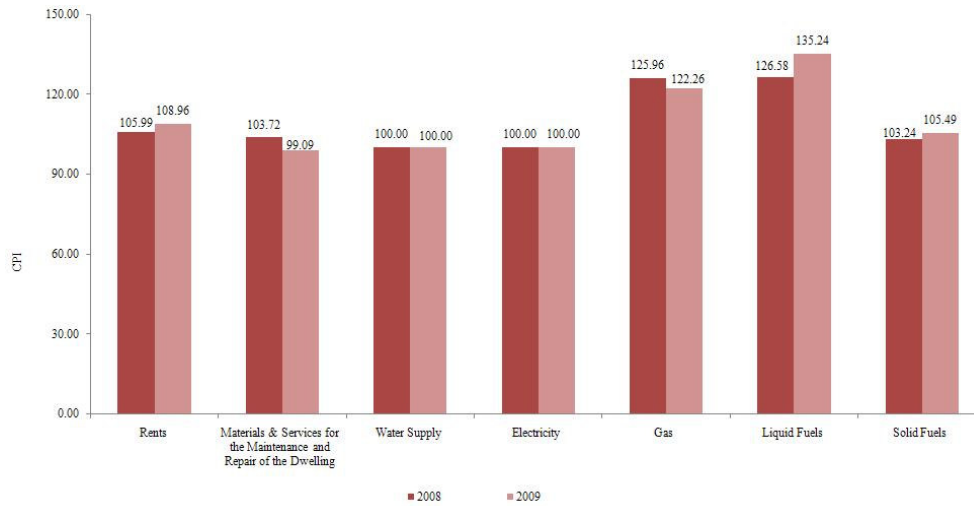
Housing, Water, Electricity, Gas, and other Fuels group inflation rate amounted to 2.41%. The highest inflation rate amounted to 6.84% for Liquid Fuel group, 2.80% for Rent group and 2.18% for Solid Fuels . Table (5) and Chart (5) shows CPI and Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group (2008-2009).

Table (5): CPI and Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group (2008-2009).

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Housing, Water, Electricity, Gas, and other Fuels	43.70	105.60	108.14	2.41
Rents	38.33	105.99	108.96	2.80
Materials & Services for the Maintenance and Repair of the Dwelling	0.22	103.72	99.09	-4.47
Water Supply	1.41	100.00	100.00	0.00
Electricity	3.19	100.00	100.00	0.00
Gas	0.51	125.96	122.26	-2.94
Liquid Fuels	0.02	126.58	135.24	6.84
Solid Fuels	0.02	103.24	105.49	2.18

Chart (5): CPI for Housing, Water, Electricity, Gas, and other Fuels group (2008-2009).



Furnishings, Household Equipment and Routine Household Maintenance

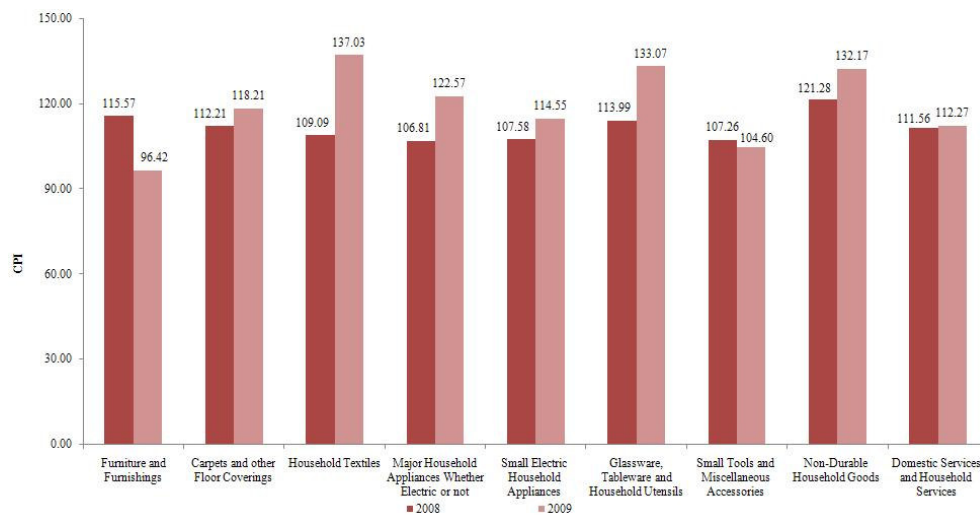
Furnishings, Household Equipment and Routine Household Maintenance group inflation rate reached 3.33%, due to increase in Household Textiles by 25.62%, Glassware, Tableware and Household Utensils by 16.74%, and 14.75% for Major Household Appliances Whether Electric or not. Table (6) and Chart (6) shows CPI and Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group (2008-2009).

Table (6): CPI and Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group (2008-2009).

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Furnishings, Household Equipment and Routine Household Maintenance	3.34	113.76	117.55	3.33
Furniture and Furnishings	0.37	115.57	96.42	-16.57
Carpets and other Floor Coverings	0.03	112.21	118.21	5.35
Household Textiles	0.07	109.09	137.03	25.62
Major Household Appliances Whether Electric or not	0.14	106.81	122.57	14.75
Small Electric Household Appliances	0.01	107.58	114.55	6.48
Glassware, Tableware and Household Utensils	0.40	113.99	133.07	16.74
Small Tools and Miscellaneous Accessories	0.04	107.26	104.60	-2.48
Non-Durable Household Goods	0.61	121.28	132.17	8.98
Domestic Services and Household Services	1.67	111.56	112.27	0.64

Chart (6): CPI for Furnishings, Household Equipment and Routine Household Maintenance group (2008-2009).



Health

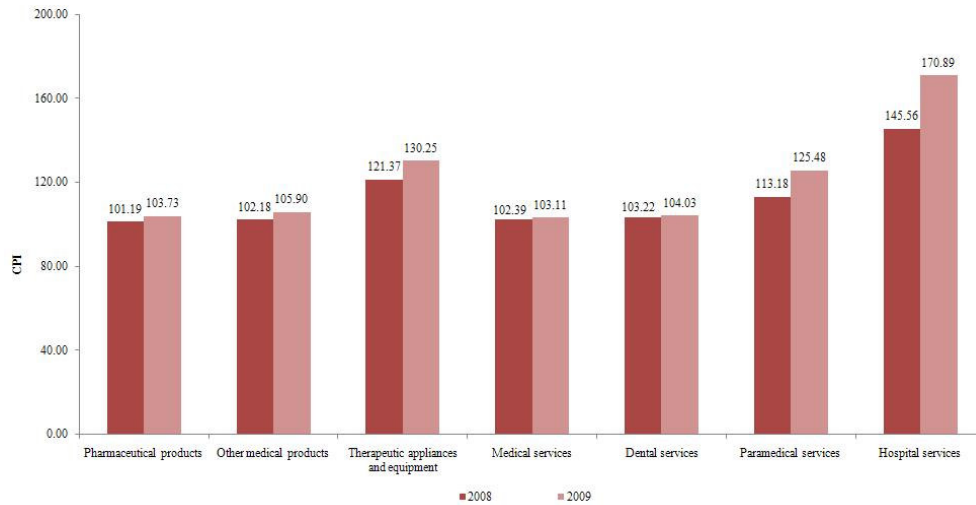
Health group inflation rate amounted to 5.31%, due to the raise in the prices of Hospital Services by 17.40%, Paramedical services by 10.86%, and 7.31% for Therapeutic appliances and equipment. Table (7) and Chart (7) shows CPI and Inflation Rate for Health group (2008-2009).

Table (7): CPI and Inflation Rate for health group (2008-2009).

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Health	1.08	106.66	112.33	5.31
Pharmaceutical products	0.73	101.19	103.73	2.51
Other medical products	0.04	102.18	105.90	3.64
Therapeutic appliances and equipment	0.02	121.37	130.25	7.31
Medical services	0.04	102.39	103.11	0.70
Dental services	0.02	103.22	104.03	0.79
Paramedical services	0.15	113.18	125.48	10.86
Hospital services	0.08	145.56	170.89	17.40

Chart (7): CPI for health group (2008-2009)



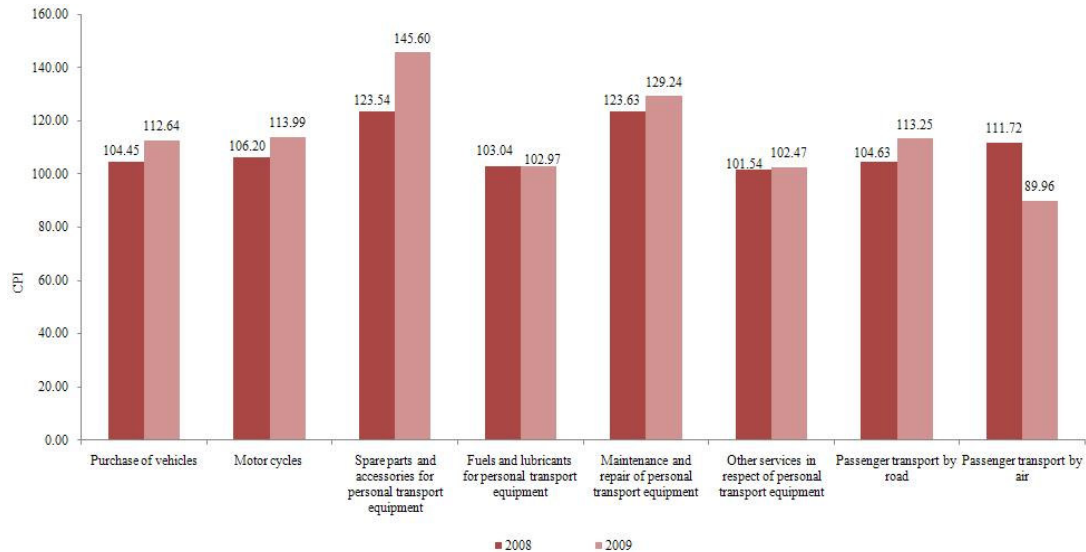
Transport

Transport group inflation rate reached 4.36%. As a result of increase in the prices of Spare parts and accessories for personal transport equipment by 17.85%, followed by Passenger transport by road by 8.24% and Purchase of vehicles prices by 7.84%. Table (8) and Chart (8) shows CPI and Inflation Rate for Transport group (2008-2009).

Table (8): CPI and Inflation Rate for Transport group (2008-2009).

2007 = 100				
Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Transport	9.08	108.95	113.70	4.36
Purchase of vehicles	1.17	104.45	112.64	7.84
Motor cycles	0.01	106.20	113.99	7.33
Spare parts and accessories for personal transport equipment	1.08	123.54	145.60	17.85
Fuels and lubricants for personal transport equipment	4.47	103.04	102.97	-0.07
Maintenance and repair of personal transport equipment	1.41	123.63	129.24	4.54
Other services in respect of personal transport equipment	0.46	101.54	102.47	0.91
Passenger transport by road	0.39	104.63	113.25	8.24
Passenger transport by air	0.09	111.72	89.96	-19.48

Chart (8): CPI for Transport group (2008-2009).



Communication

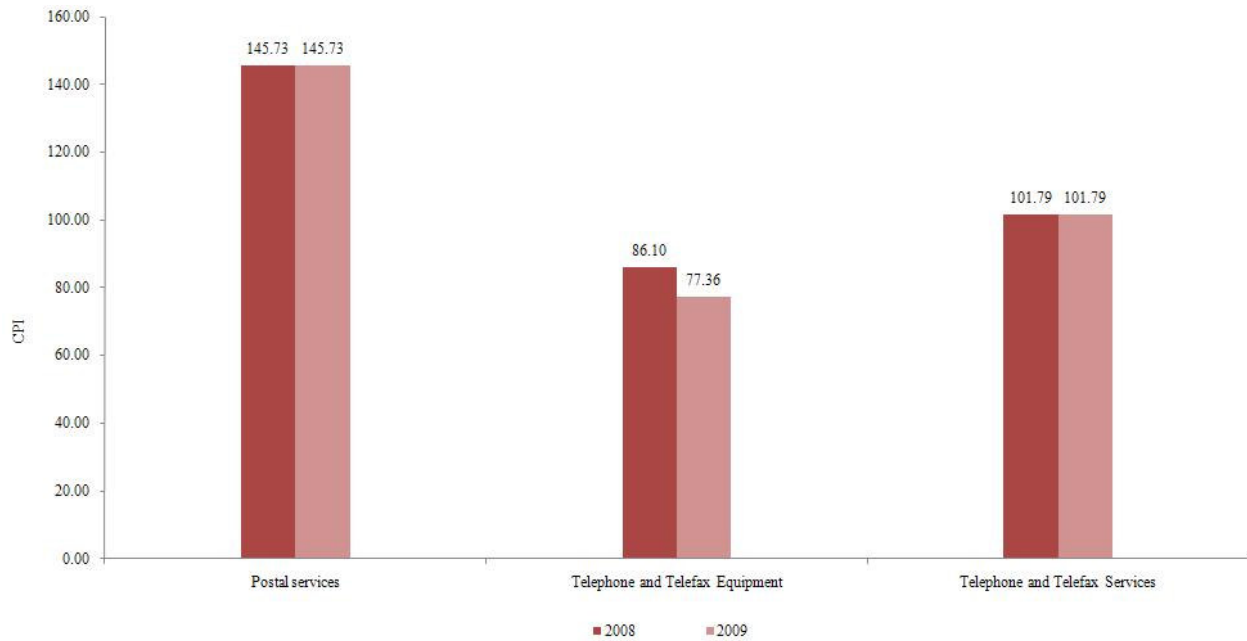
Communication group inflation rate declined by 0.17%, due to the decrease in Telephone and Telefax Equipment prices by 10.15%. Table (9) and Chart (9) shows CPI and Inflation Rate for Communication group (2008-2009).

Table (9): CPI and Inflation Rate for communication group (2008-2009).

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Communication	6.00	101.71	101.54	-0.17
Postal services	0.03	145.73	145.73	0.00
Telephone and Telefax Equipment	0.12	86.10	77.36	-10.15
Telephone and Telefax Services	5.85	101.79	101.79	0.00

Chart (9): CPI for Communication group (2008-2009).



Recreation and Culture

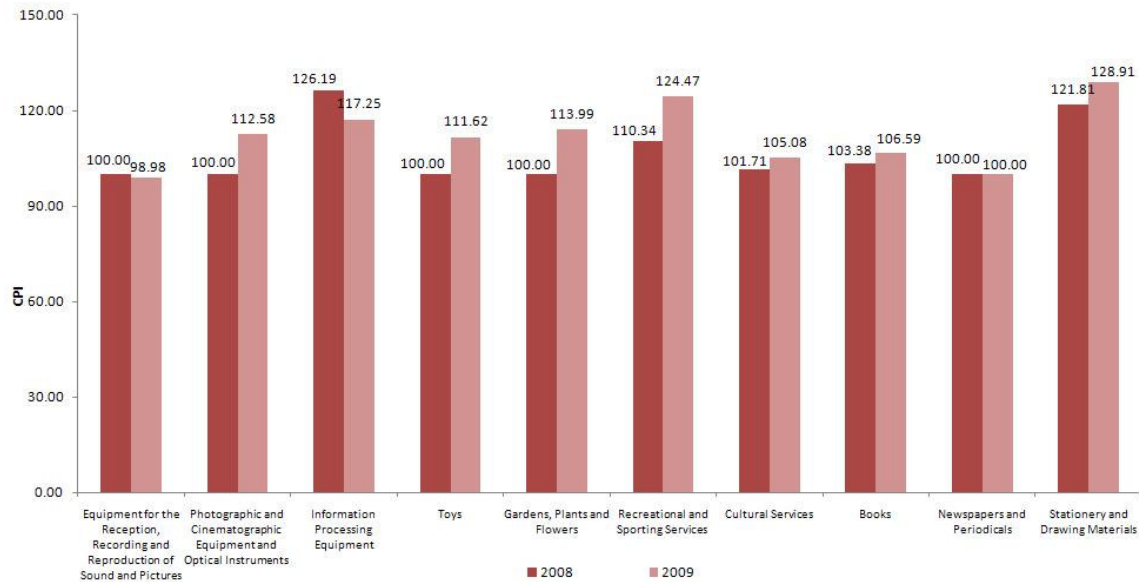
Recreation and Culture group inflation rate amounted to 2.55%, due to high increase in the price of Gardens, Plants and Flowers by 13.99%. Followed by, Recreational and Sporting Services by 12.81%. Then Photographic and Cinematographic Equipment and Optical Instrument by 12.58%. Table (10) and Chart (10) shows CPI and Inflation Rate for Recreation and Culture group (2008-2009).

Table (10): Inflation Rate and CPI for Recreation and Culture group 2008-2009

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Recreation and Culture	4.24	102.85	105.47	2.55
Equipment for the Reception, Recording and Reproduction of Sound and Pictures	0.11	100.00	98.98	-1.02
Photographic and Cinematographic Equipment and Optical Instruments	0.05	100.00	112.58	12.58
Information Processing Equipment	0.06	126.19	117.25	-7.09
Toys	0.16	100.00	111.62	11.62
Gardens, Plants and Flowers	0.08	100.00	113.99	13.99
Recreational and Sporting Services	0.25	110.34	124.47	12.81
Cultural Services	0.61	101.71	105.08	3.32
Books	0.15	103.38	106.59	3.10
Newspapers and Periodicals	2.48	100.00	100.00	0.00
Stationery and Drawing Materials	0.29	121.81	128.91	5.83

Chart (10): CPI for Recreation and Culture group (2008-2009).



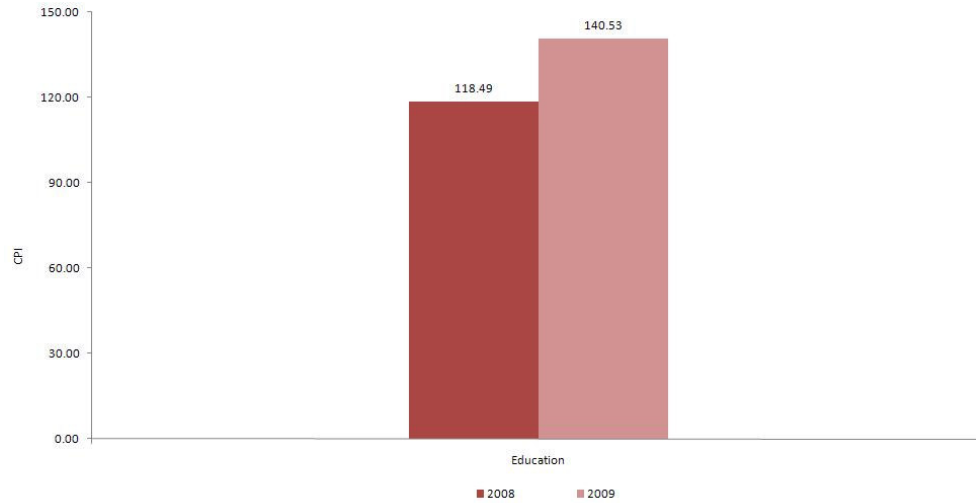
Education

Education inflation rate has increased by 18.60%, due to tuition fees. Table (11) and Chart (11) shows CPI and Inflation Rate for Education group (2008-2009).

Table (11): CPI and Inflation Rate for Education group (2008-2009).

2007 = 100				
Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Education	4.09	118.49	140.53	18.60
Education	4.09	118.49	140.53	18.60

Chart (11): CPI for Education group (2008-2009)



Restaurants and Hotels

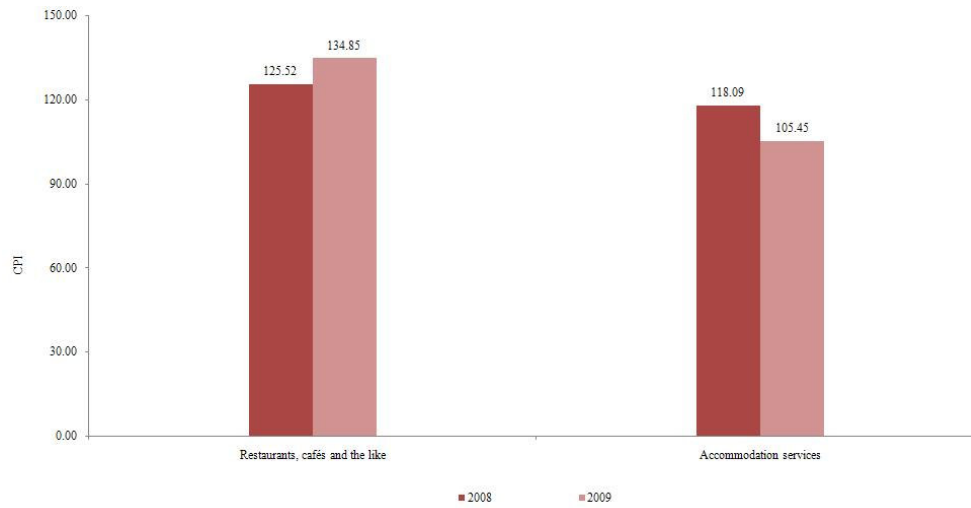
Restaurants and Hotels group inflation rate reached 7.36% due to high increase in prices of Restaurants, cafes and the like by 7.44%, while Accommodation services prices declined by 10.70%. Table (12) and Chart (12) shows 2008-2009 Inflation Rate and CPI for Restaurants and Hotels group.

Table (12): Inflation Rate and CPI for Restaurants and Hotels group 2008-2009

2007 = 100

Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Restaurants and hotels	5.48	125.49	134.72	7.36
Restaurants, cafés and the like	5.45	125.52	134.85	7.44
Accommodation services	0.03	118.09	105.45	-10.70

Chart (12): CPI for Restaurants and Hotels group 2008-2009



Miscellaneous Goods and Services

Miscellaneous Goods and Services group reached 3.69%. Due to increase in the prices of Jewellery, Clocks and Watches by 11.85%, Other Personal Effects prices by 8.36%, and Other Appliances, Articles and Products for Personal Care and Personal Care Services by 4.72%. Table (13) and Chart (13) shows 2008-2009 Inflation Rate and CPI for Miscellaneous Goods and Services group.

Table (13): Inflation Rate and CPI for Miscellaneous Goods and Services group 2008-2009

2007 = 100				
Expenditure groups	Weight	CPI 2008	CPI 2009	Inflation Rate %
Miscellaneous Goods and Services	6.15	119.17	123.56	3.69
Personal care Services	0.78	122.14	124.41	1.86
Electric Appliances for Personal Care	0.02	127.65	130.63	2.33
Other Appliances, Articles and Products for Personal Care	2.34	119.02	124.63	4.72
Jewellery, Clocks and Watches	0.29	118.18	132.19	11.85
Other Personal Effects	0.05	113.18	122.63	8.36
Health Insurance	0.41	100.00	100.00	0.00
Transport Insurance	1.53	131.19	135.56	3.33
Other Services n.e.c.	0.73	102.55	103.71	1.13

Chart (13): CPI for Miscellaneous Goods and Services group 2008-2009

