

## **Inflation in Consumer Price Index First Quarter 2015 - Emirate of Dubai**

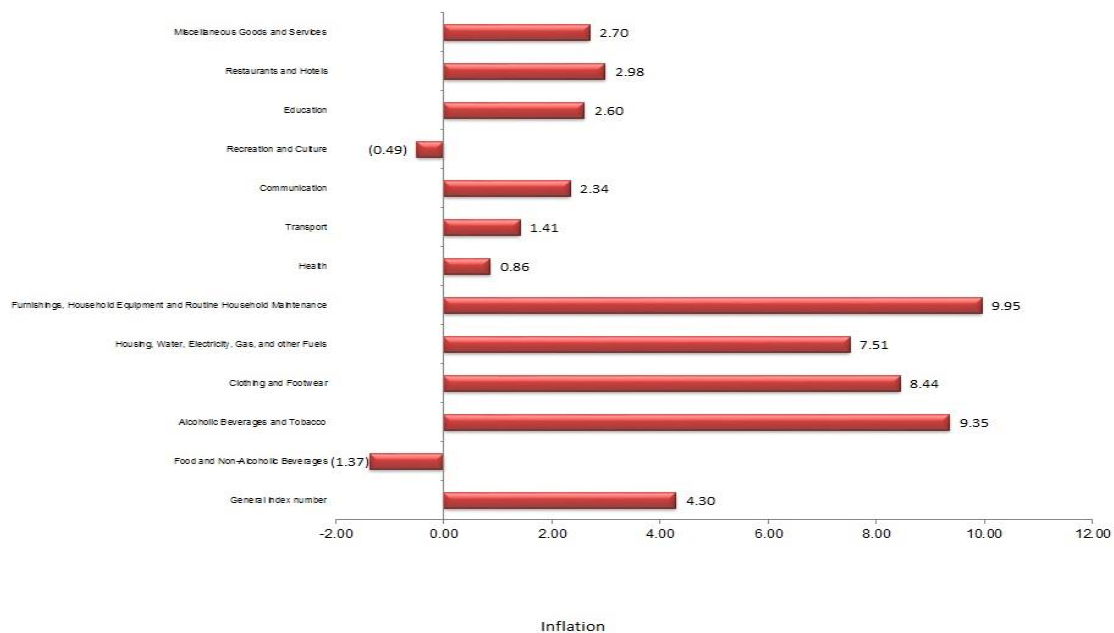
Inflation Rate in the Emirate of Dubai rose to record 4.30% in the First Quarter of 2015 compared to the same period of 2014. This is due to an increase in the prices of Furnishings, Household Equipment and Routine Household Maintenance group by 9.95% where this group form 3.34% of total relative importance in the consumer basket. Alcoholic Beverages and Tobacco group record 9.35% with an effect of 0.24% in the consumer basket. Clothing and Footwear group increased by 8.44% forming 5.52% of consumer basket weight. Housing, Water, Electricity, Gas, and other Fuels group by 7.51% and this group considered as the highest group in the relative importance in the consumer basket by 43.70%. Restaurants and Hotels group increased by 2.98% it form 5.48% in the relative importance of the consumer basket. Miscellaneous Goods and Services group reached to 2.70% where this group accounted for 6.15% of the total weight of the consumer basket. Education group rose by 2.60% and accounted for 4.09% from the total weight of the consumer basket. Communication group records 2.34% and it has a relative importance of 6.00% to the consumer basket. Transport group grew by 1.41% and the relative importance of this group to the consumer basket total is 9.08%, and Health group grew by 0.86% and this group has a relative importance of 1.08% in the consumer basket. While the prices of other groups deflates as follows: Food and Non-Alcoholic Beverages group decreased by 1.37% and Recreation and Culture group by 0.49% and the previous two groups has a relative importance impact to the consumer basket by 11.08% and 4.24% respectively. As shown in table (1).

**Table (1) | Inflation and Consumer Price Index in First Quarter 2014 - 2015**

2007 = 100

Expenditure groups	Weight	CPI First Quarter 2014	CPI First Quarter 2015	Inflation Rate (%)
General index number	100.00	117.99	123.06	4.30
Food and Non-Alcoholic Beverages	11.08	141.79	139.85	(1.37)
Alcoholic Beverages and Tobacco	0.24	136.57	149.34	9.35
Clothing and Footwear	5.52	121.51	131.76	8.44
Housing, Water, Electricity, Gas, and other Fuels	43.70	101.47	109.09	7.51
Furnishings, Household Equipment and Routine Household Maintenance	3.34	130.01	142.94	9.95
Health	1.08	124.07	125.14	0.86
Transport	9.08	132.02	133.88	1.41
Communication	6.00	90.36	92.47	2.34
Recreation and Culture	4.24	108.61	108.08	(0.49)
Education	4.09	174.00	178.53	2.60
Restaurants and Hotels	5.48	146.49	150.86	2.98
Miscellaneous Goods and Services	6.15	131.19	134.73	2.70

**Figure (1) | Inflation in Consumer Price Index - First Quarter 2014 – 2015**



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

### **Food and Non-Alcoholic Beverages**

Inflation rate of Food and Non-Alcoholic Beverages Group decreased by 1.37%. Because of a decline in the prices of Fish and seafood by 13.57%, due to good weather and climate change in the first quarter of 2015 compared to the same period of 2014. Followed by a decrease in the prices of Vegetables by 4.40% due to an increase in the local products and prices of Fruits decreased by 2.88%.

### **Alcoholic Beverages and Tobacco**

Inflation rate of Alcoholic Beverages and Tobacco group increased by 9.35%, due to an increase in the prices of Tobacco by 11.93% because all outlets raised the prices since last July and prices of Alcoholic Beverages rise by 1.14%.

### **Clothing and Footwear**

The prices of Clothing and Footwear group reached 8.44%. Due to of an increase in the prices of Garments by 11.57%, then the prices of Shoes and other Footwear increased by 2.80% which affects the main group and the prices of Clothing Materials rose by 2.29%.

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

Inflation rate of Housing, Water, Electricity, Gas, and other Fuel group increased by 7.51%. As the prices of Rents increased by 9.24%. In addition to that, prices of Liquid Fuels rose by 1.17% and also prices of Materials & Services for the Maintenance and Repair of the Dwelling increased by 0.45% which affects the increment of the main group.

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

Inflation rate of Furnishings, Household Equipment and Routine Household Maintenance group increased by 9.95%. Because of an increase in the prices of Small Electric Household Appliances by 25.71%. Followed by an increase in the prices of Domestic Services and Household Services by 19.04% because the Republic of Philippines stopped the supply of domestic labor, resulting in a lack of employment applications and the increasing demand for multinational available and prices of Major Household Appliances rise by 2.13%.

## Health

Inflation rate of Health group reached 0.86%, due to the rise in the prices of Medical products by 7.79%, followed by an increase in the prices of Hospital services by 4.03% and the prices of Medical services increased by 1.04%.

## Transport

Inflation rate of Transport group reached 1.41%, with the highest increase in the prices of Passenger transport by road by 13.85%, after a decision by the Roads and Transport Authority on the new tariff for taxi trips within the emirate since last December. In addition to that, prices of Spare parts and accessories for personal transport equipment and prices of Motor cycles increased by 7.53% and 4.51% respectively.

## Communication

Communication group prices increased to 2.34%. Due to the increase in the prices of Postal services by 11.28% after the increase in the annual subscription fee of an individual post office box that made by The Emirates Post Group and prices of Wireless and Wired Services rose by 2.48%.

## Recreation and Culture

Inflation rate of Recreation and Culture group dropped to 0.49%. Due to a decrease in the prices of Equipment for the Reception, Recording and Reproduction of Sound and Pictures by 33.25% as a result of the rapid development of the technology sector, followed by the prices of Information Processing Equipment by 12.27% then the prices of Photographic and Cinematographic Equipment and Optical Instruments by 8.40%.

## **Education**

Inflation rate of Education group has increased by 2.60%, due to an increase in Secondary education fees by 3.12%, followed by Pre-primary and primary education fees by 3.04% and Post-secondary non-tertiary education fees by 1.41%.

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

## **Restaurants and Hotels**

Inflation rate of Restaurants and Hotels group reached to 2.98%, due to an increase in the prices of Restaurants, Cafés and the like by 2.99%.

## **Miscellaneous Goods and Services**

Inflation rate of Miscellaneous Goods and Services group increased by 2.70%. As a result of an increase in the prices of Other Services n.e.c. by 5.99%, followed by Personal care Services prices by 5.81% and the prices of Other Appliances, Articles and Products for Personal Care increased by 3.62%.