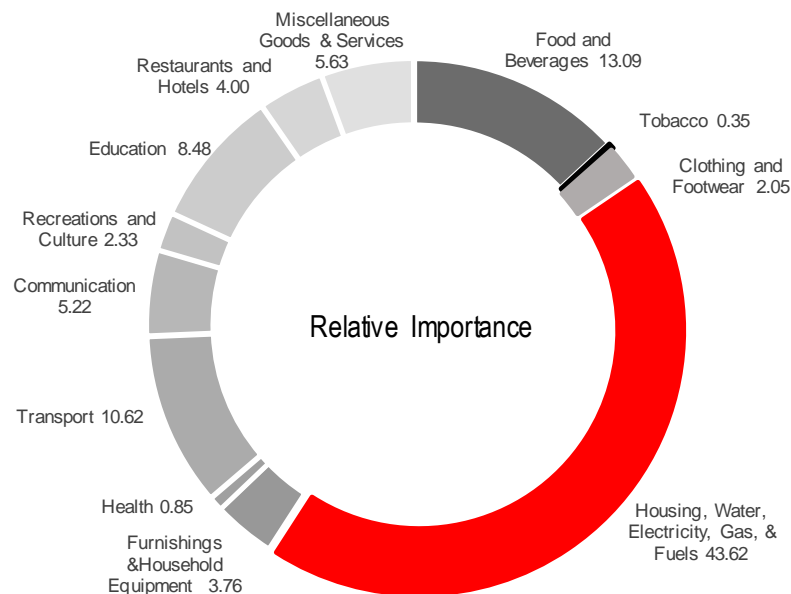


Inflation in Consumer Price

Emirate of Dubai 2017

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).

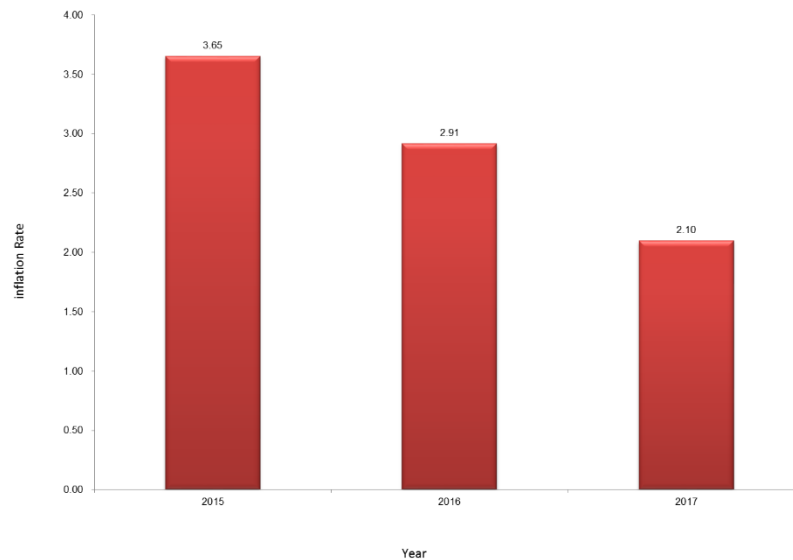
Chart 1 | Relative Importance for Main Expenditure divisions



General Inflation

Inflation rate of 2017 amounted to 2.10% compared to 2016, where the rate of inflation increased, still it is lower than 2016 record which was 2.91%, as shown in chart (2).

Chart 2 | Inflation Rate for 2015 - 2017



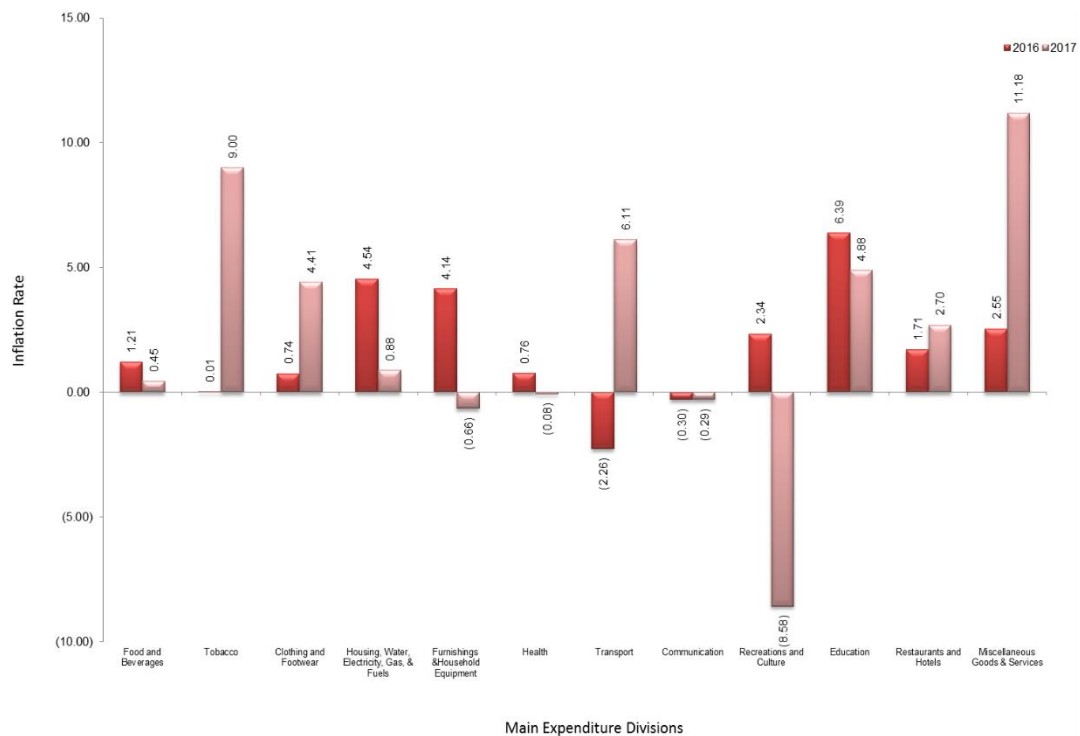
This inflation was due to the increase in the prices of consumer basket indices, Housing, Water, Electricity, Gas, and other Fuels division forms 43.62% of the relative importance of the total consumer basket, where the rate of inflation in the division amounted to 0.88%. Food and Beverages division has a relative importance impact to the consumer basket by 13.09% and its inflation rate is 0.45%. Transport division contribute by 10.62% of the total relative importance in the consumer basket and its Inflation rate increased by 6.11%. Education division form 8.48% of total relative importance in the consumer basket and it increased by 4.88%. Miscellaneous Goods and Services division forms 5.63% of the total weight in the consumer basket and its inflation rate 11.18%. Then an increase by 2.70% in the prices of Restaurants and Hotels division, which has a relative importance of 4.00% in the consumer basket. Clothing and Footwear division form 2.05% of the total relative importance in the consumer basket and increased by 4.41%. Tobacco division form 0.35% of the total relative importance in the consumer basket and increased by 9.00%. On the other hand, Communication division forms 5.22% of the relative importance and it declined by 0.29%. While the prices of Furnishings, Household Equipment and Routine Household Maintenance division dropped by 0.66% and it has relative importance in the consumer basket by 3.76%. While Recreation and culture division form 2.33% of the total relative importance in the consumer basket, where the inflation rate decreased by 8.58%. Health division form 0.85% of the total relative importance in the consumer basket and the inflation rate declined by 0.08%.

Table 1 | Inflation Rate for Main Expenditure divisions 2015 – 2017

2014 = 100

Expenditure divisions	Weight	Percentage Change		
		2015	2016	2017
General Index Number	100.00	3.65	2.91	2.10
Food and Beverages	13.09	0.49	1.21	0.45
Tobacco	0.35	4.47	0.01	9.00
Clothing and Footwear	2.05	4.64	0.74	4.41
Housing, Water, Electricity, Gas, and other Fuels	43.62	6.06	4.54	0.88
Furnishings, Household Equipment and Routine Household Maintenance	3.76	5.40	4.14	(0.66)
Health	0.85	1.63	0.76	(0.08)
Transport	10.62	0.66	(2.26)	6.11
Communication	5.22	0.71	(0.30)	(0.29)
Recreations and Culture	2.33	0.48	2.34	(8.58)
Education	8.48	3.15	6.39	4.88
Restaurants and Hotels	4.00	1.97	1.71	2.70
Miscellaneous Goods and Services	5.63	2.72	2.55	11.18

Chart 3 | Inflation Rate for Main Expenditure divisions 2016 – 2017



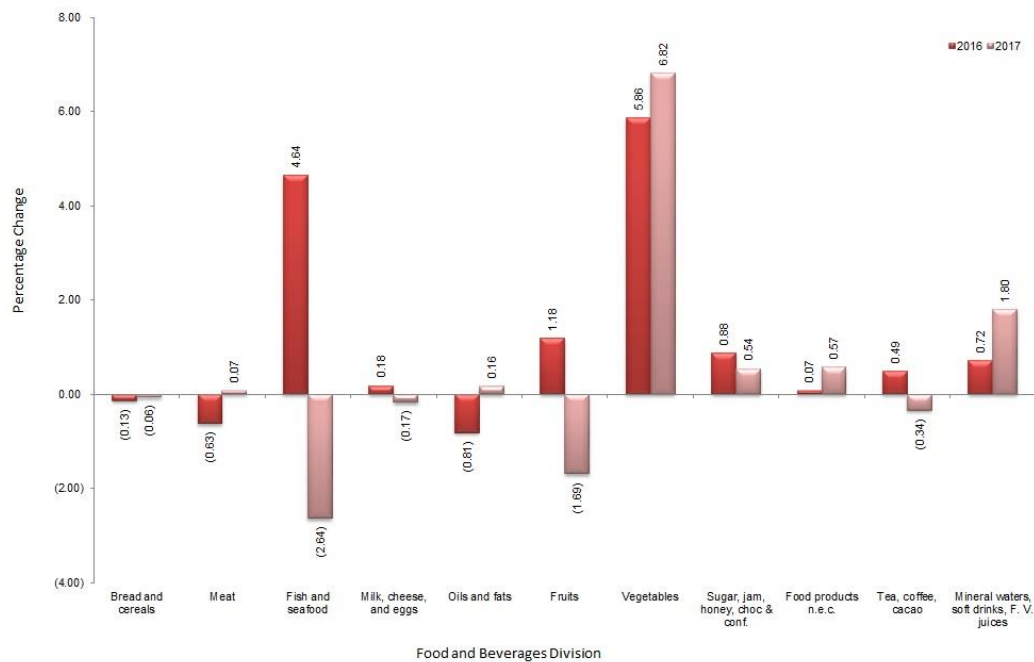
Food and Beverages

Food and Beverages division change rate was 0.45%, with highest increase in the prices of Vegetables by 6.82%, followed by an increase in the prices of Mineral waters, soft drinks, fruits and vegetables juices by 1.80%, then an increase by 0.57% in the prices of Food products n.e.c, as shown in table (2) and chart (4).

Table 2 | Inflation Rate for Food and Beverages division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Food and beverages	13.09	0.49	1.21	0.45
Bread and cereals	2.01	1.66	(0.13)	(0.06)
Meat	2.29	0.72	(0.63)	0.07
Fish and seafood	1.33	(4.95)	4.64	(2.64)
Milk, cheese and eggs	1.36	1.35	0.18	(0.17)
Oils and fats	0.43	3.04	(0.81)	0.16
Fruits	1.81	(0.17)	1.18	(1.69)
Vegetables	1.41	1.07	5.86	6.82
Sugar, jam, honey, chocolate and confectionery	0.57	1.36	0.88	0.54
Food products n.e.c.	0.61	2.38	0.07	0.57
Tea, coffee and cacao	0.30	0.16	0.49	(0.34)
Mineral waters, soft drinks, fruits and vegetables juices	0.97	1.40	0.72	1.80

Chart 4 | Inflation Rate for Food and Beverages division 2016 – 2017



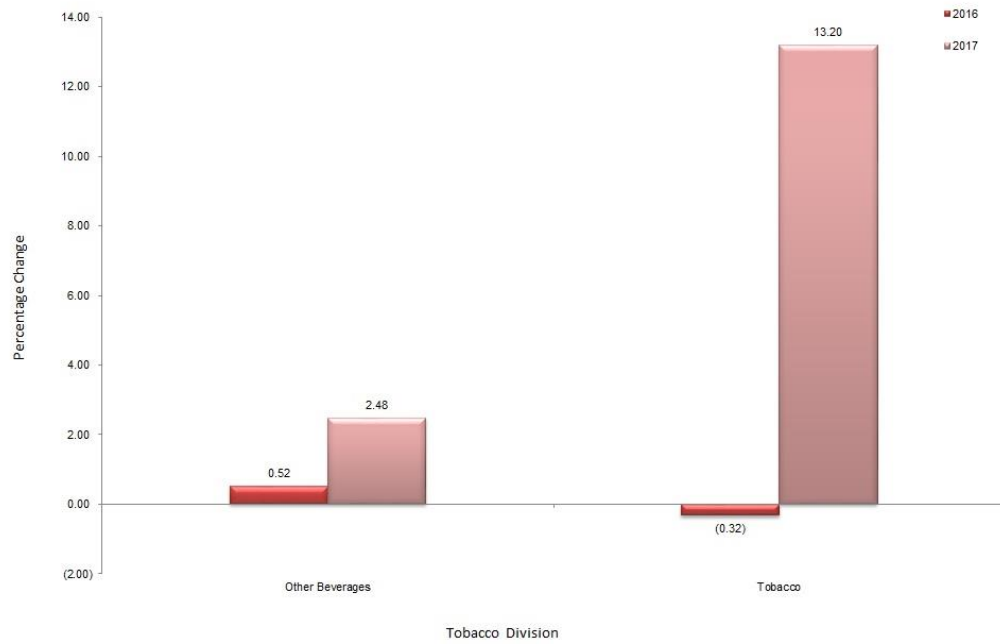
Tobacco

Tobacco division change rate reached 9.00%, due to an increase in the prices of Tobacco by 13.20%, and the prices of other beverages by 2.48%, as shown in table (3) and chart (5).

Table 3 | Inflation Rate for Tobacco division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Tobacco	0.35	4.47	0.01	9.00
Other beverages	0.14	0.43	0.52	2.48
Tobacco	0.21	7.22	(0.32)	13.20

Chart 5 | Inflation Rate for Tobacco division 2016 – 2017



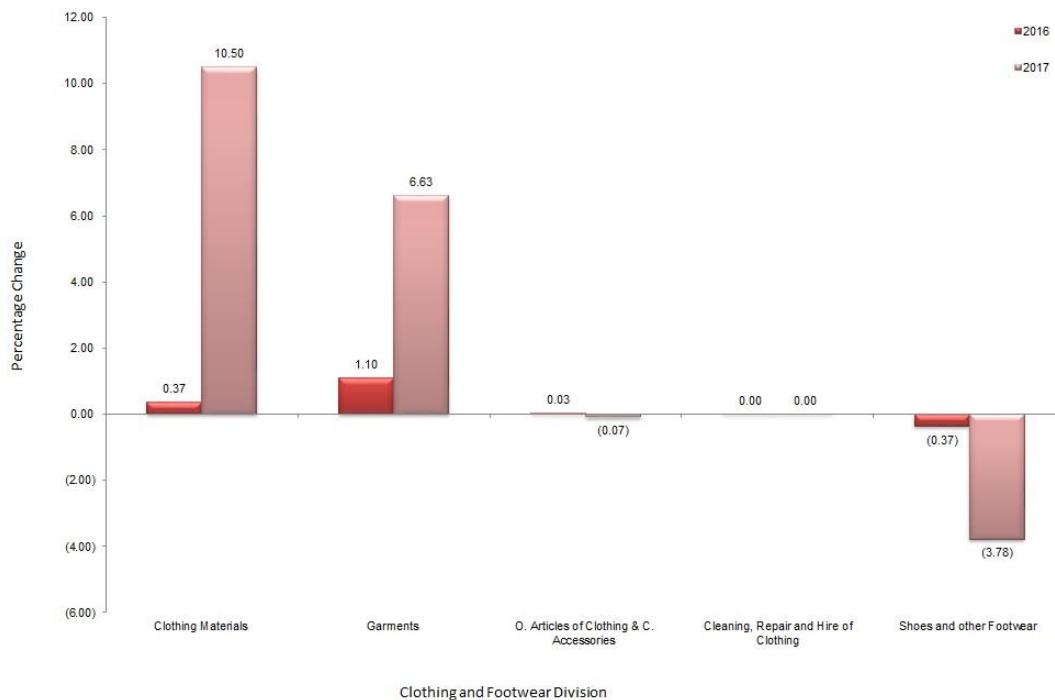
Clothing and Footwear

Clothing and Footwear division change rate reached 4.41%, due to an increase in the prices of Clothing Materials by 10.50%, followed by Garments prices by 6.63%, as shown in table (4) and chart (6).

Table 4 | Inflation Rate for Clothing and Footwear division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Clothing and Footwear	2.05	4.64	0.74	4.41
Clothing Materials	0.03	0.96	0.37	10.50
Garments	1.45	6.22	1.10	6.63
Other Articles of Clothing and Clothing Accessories	0.03	0.09	0.03	(0.07)
Cleaning, Repair and Hire of Clothing	0.25	-	-	-
Shoes and other Footwear	0.29	1.62	(0.37)	(3.78)

Chart 6 | Inflation Rate for Clothing and Footwear division 2016 – 2017



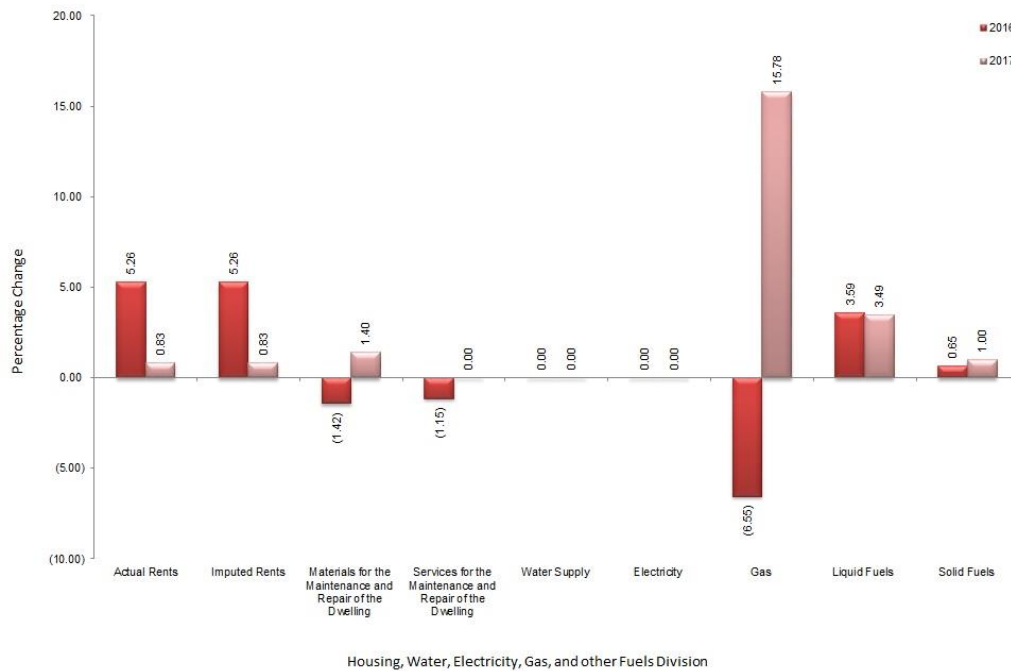
Housing, Water, Electricity, Gas, and other Fuels

Housing, Water, Electricity, Gas, and other Fuels division change rate amounted to 0.88%, with highest increase in the prices of Gas by 15.78%, then an increase by 3.49% in the prices of Liquid Fuels, and prices of Materials for the Maintenance and Repair of the Dwelling increased by 1.40%, as shown in table (5) and chart (7).

Table 5 | Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Housing, Water, Electricity, Gas, and other Fuels	43.62	6.06	4.54	0.88
Actual Rents	22.56	7.24	5.26	0.83
Imputed Rents	15.30	7.24	5.26	0.83
Materials for the Maintenance and Repair of the Dwelling	0.03	(0.90)	(1.42)	1.40
Services for the Maintenance and Repair of the Dwelling	0.13	(1.13)	(1.15)	-
Water Supply	1.53	-	-	-
Electricity	3.49	0.07	-	-
Gas	0.58	(16.14)	(6.55)	15.78
Liquid Fuels	<0.01	(0.56)	3.59	3.49
Solid Fuels	0.01	(11.25)	0.65	1.00

Chart 7 | Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels division 2016 – 2017



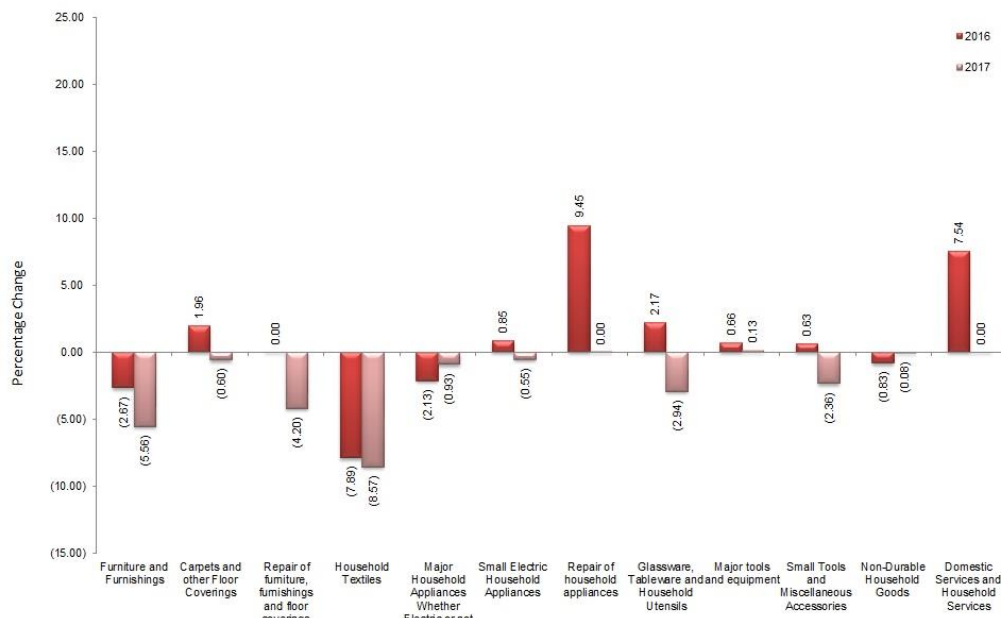
Furnishings, Household Equipment and Routine Household Maintenance

Furnishings, Household Equipment and Routine Household Maintenance division change rate declined to 0.66%, due to a decrease in the prices of Household Textiles by 8.57%, followed by prices of Furniture and Furnishings by 5.56%, then a decrease in the prices of Repair of furniture, furnishings and floor coverings by 4.20%, as shown in table (6) and chart (8).

Table 6 | Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Furnishings, Household Equipment and Routine Household Maintenance	3.76	5.40	4.14	(0.66)
Furniture and Furnishings	0.38	(0.01)	(2.67)	(5.56)
Carpets and other Floor Coverings	0.06	0.18	1.96	(0.60)
Repair of furniture, furnishings and floor coverings	<0.01	-	-	(4.20)
Household Textiles	0.04	(0.80)	(7.89)	(8.57)
Major Household Appliances Whether Electric or not	0.14	0.50	(2.13)	(0.93)
Small Electric Household Appliances	0.01	6.58	0.85	(0.55)
Repair of household appliances	<0.01	10.44	9.45	-
Glassware, Tableware and Household Utensils	0.02	(0.44)	2.17	(2.94)
Major tools and equipment	<0.01	0.67	0.66	0.13
Small Tools and Miscellaneous Accessories	<0.01	(1.19)	0.63	(2.36)
Non-Durable Household Goods	0.84	(0.11)	(0.83)	(0.08)
Domestic Services	2.26	8.97	7.54	-

Chart 8 | Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance division 2016 – 2017



Furnishings, Household Equipment and Routine Household Maintenance Division

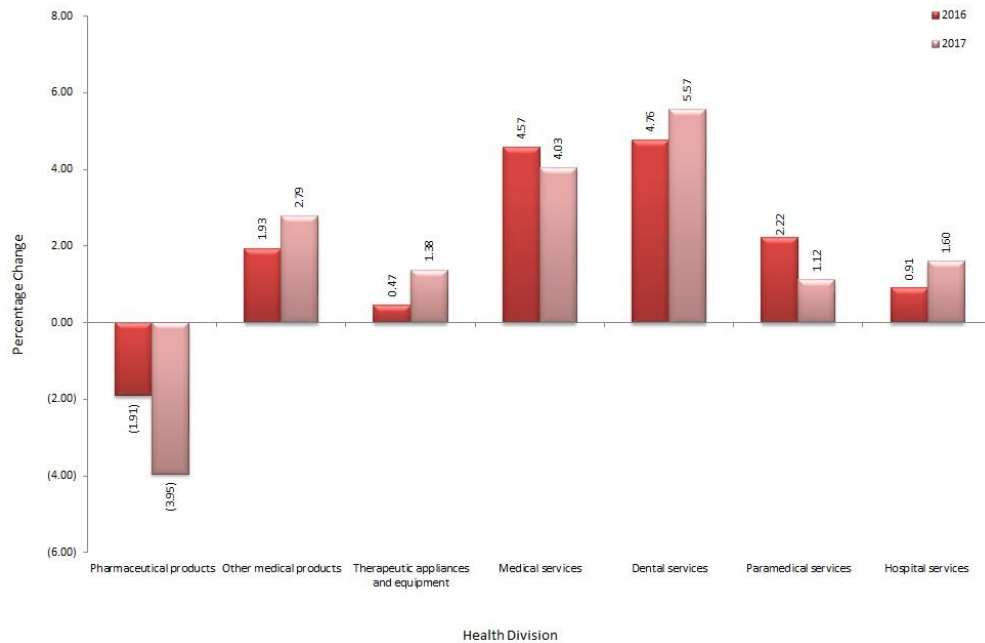
Health

Health division change rate decreased by 0.08%, due to the drop in the prices of Pharmaceutical products by 3.95%, as shown in table (7) and chart (9).

Table 7 | Inflation Rate for Health division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Health	0.85	1.63	0.76	(0.08)
Pharmaceutical products	0.34	0.19	(1.91)	(3.95)
Other medical products	0.01	3.07	1.93	2.79
Therapeutic appliances and equipment	0.01	(0.05)	0.47	1.38
Medical services	0.12	1.61	4.57	4.03
Dental services	0.04	0.51	4.76	5.57
Paramedical services	0.16	5.27	2.22	1.12
Hospital services	0.16	1.30	0.91	1.60

Chart 9 | Inflation Rate for Health division 2016 – 2017



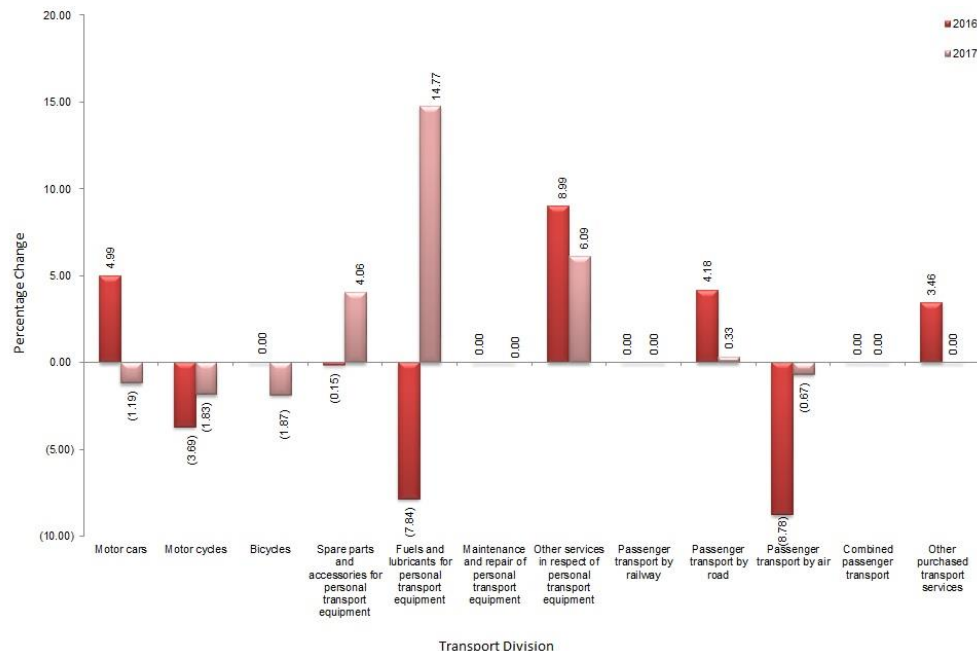
Transport

Transport division change rate increased by 6.11%. Because of an increase in the prices of Fuels and lubricants for personal transport equipment by 14.77% after the announcement by the Ministry of Energy regarding the deregulation of fuel prices in the UAE since August 2015. In addition to that, prices of Other services in respect of personal transport equipment increased by 6.09%, then the prices of Spare parts and accessories for personal transport equipment increased by 4.06%, as shown in table (8) and chart (10).

Table 8 | Inflation Rate for Transport division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Transport	10.62	0.66	(2.26)	6.11
Motor cars	1.15	(2.56)	4.99	(1.19)
Motor cycles	<0.01	0.05	(3.69)	(1.83)
Bicycles	<0.01	-	-	(1.87)
Spare parts and accessories for personal transport equipment	0.03	5.59	(0.15)	4.06
Fuels and lubricants for personal transport equipment	3.96	3.05	(7.84)	14.77
Maintenance and repair of personal transport equipment	1.32	-	-	-
Other services in respect of personal transport equipment	1.57	-	8.99	6.09
Passenger transport by railway	0.04	-	-	-
Passenger transport by road	0.62	3.26	4.18	0.33
Passenger transport by air	1.71	(2.52)	(8.78)	(0.67)
Combined passenger transport	0.20	-	-	-
Other purchased transport services	0.01	3.59	3.46	-

Chart 10 | Inflation Rate for Transport division 2016 – 2017



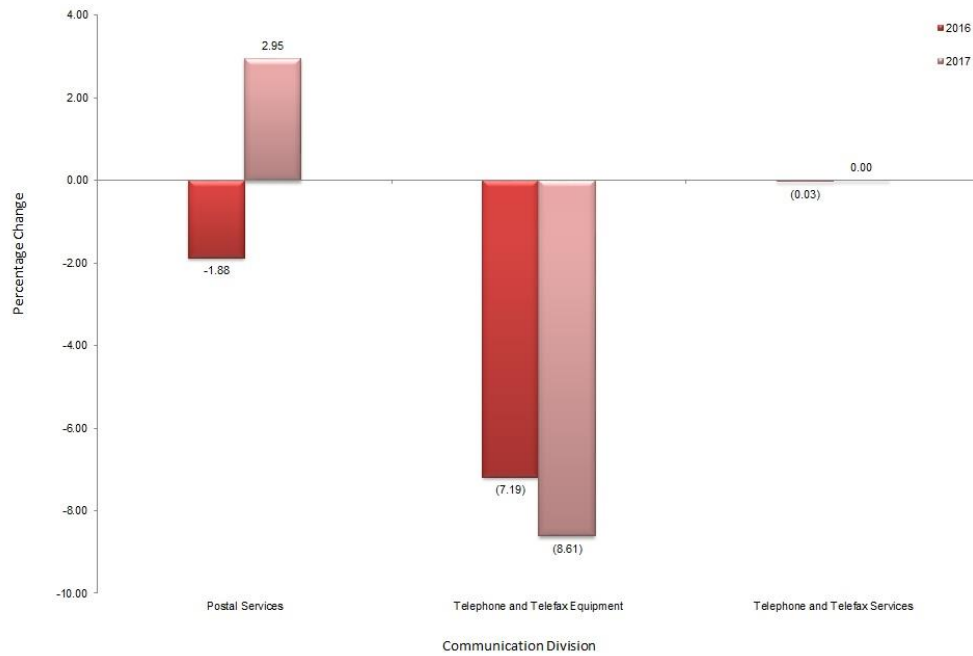
Communication

Communication division change rate decreased to 0.29%, due to the decrease in the prices of Telephone and Telefax Equipment by 8.61% as a result of the rapid development of the technology sector, as shown in table (9) and chart (11).

Table 9 | Inflation Rate for Communication division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Communication	5.22	0.71	(0.30)	(0.29)
Postal Services	<0.01	(0.73)	(1.88)	2.95
Telephone and Telefax Equipment	0.20	(4.56)	(7.19)	(8.61)
Telephone and Telefax Services	5.02	0.92	(0.03)	-

Chart 11 | Inflation Rate for Communication division 2016 – 2017



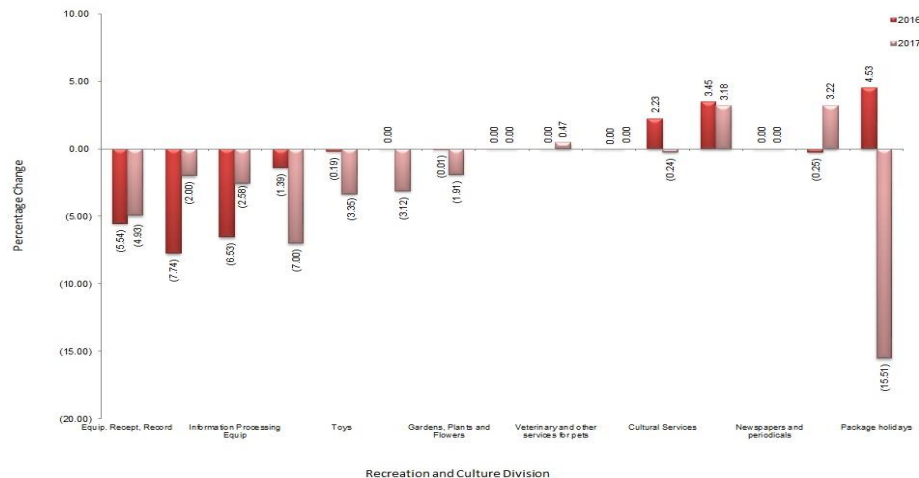
Recreation and Culture

Recreation and Culture division change rate declined by 8.58%, due to a decrease in the prices of Holiday Packages by 15.51%, followed by Recording media prices by 7.00%, then a decrease in the prices of Equipment for the Reception, Recording and Reproduction of Sound and Pictures by 4.93%, as shown in table (10) and chart (12).

Table 10 | Inflation Rate for Recreation and Culture division 2015 – 2017

Division / Group	Weight	2014 = 100 Percentage Change		
		2015	2016	2017
Recreation and Culture	2.33	0.48	2.34	(8.58)
Equipment for the Reception, Recording and Reproduction of Sound and Pictures	0.09	(26.53)	(5.54)	(4.93)
Photographic and Cinematographic Equipment and Optical Instruments	0.02	(25.79)	(7.74)	(2.00)
Information Processing Equipment	0.11	(7.41)	(6.53)	(2.58)
Recording media	<0.01	-	(1.39)	(7.00)
Toys	0.02	0.07	(0.19)	(3.35)
Equipment for sport, camping and open-air recreation	0.02	-	-	(3.12)
Gardens, Plants and Flowers	0.06	-	(0.01)	(1.91)
Pets and related products	0.07	-	-	-
Veterinary and other services for pets	<0.01	-	-	0.47
Recreational and Sporting Services	0.16	-	-	-
Cultural Services	0.42	1.63	2.23	(0.24)
Books	0.03	3.06	3.45	3.18
Newspapers and Periodicals	0.04	-	-	-
Stationery and Drawing Materials	0.10	(1.89)	(0.25)	3.22
Holidays Packages	1.19	3.61	4.53	(15.51)

Chart 12 | Inflation Rate for Recreation and Culture division 2016 – 2017



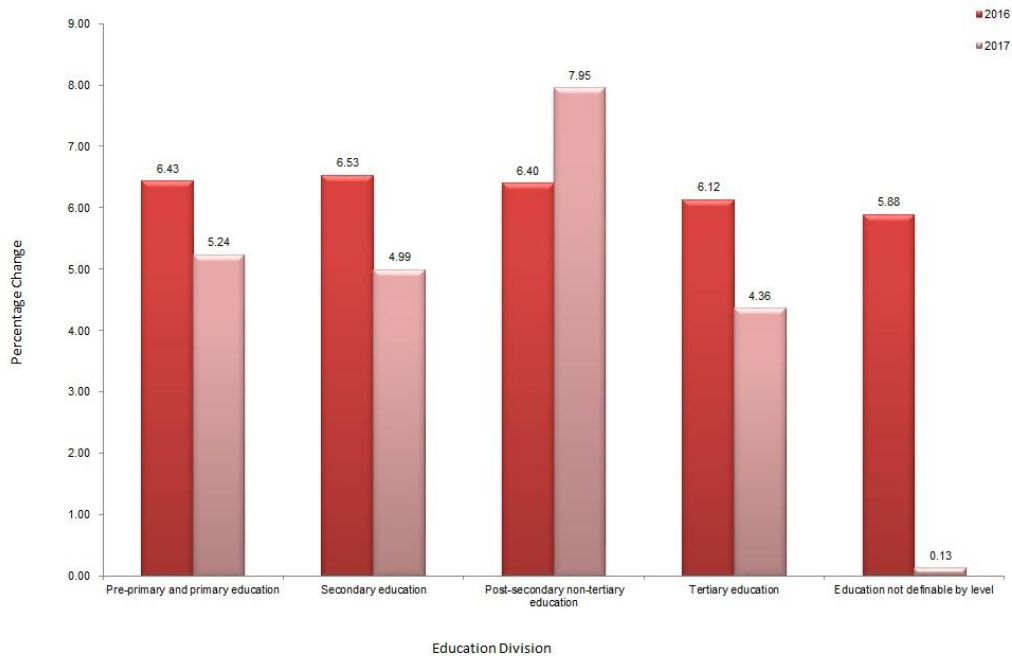
Education

Education division change rate has increased by 4.88%, due to an increase by 7.95% in the fees of Post-secondary non-tertiary education, followed by an increase in the fees of Pre-primary and primary education by 5.24% and by 4.99% 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 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Education	8.48	3.15	6.39	4.88
Pre-primary and primary education	4.57	3.07	6.43	5.24
Secondary education	2.32	3.27	6.53	4.99
Post-secondary non-tertiary education	0.03	4.09	6.40	7.95
Tertiary education	1.29	3.11	6.12	4.36
Education not definable by level	0.27	3.46	5.88	0.13

Chart 13 | Inflation Rate for Education division 2016 – 2017



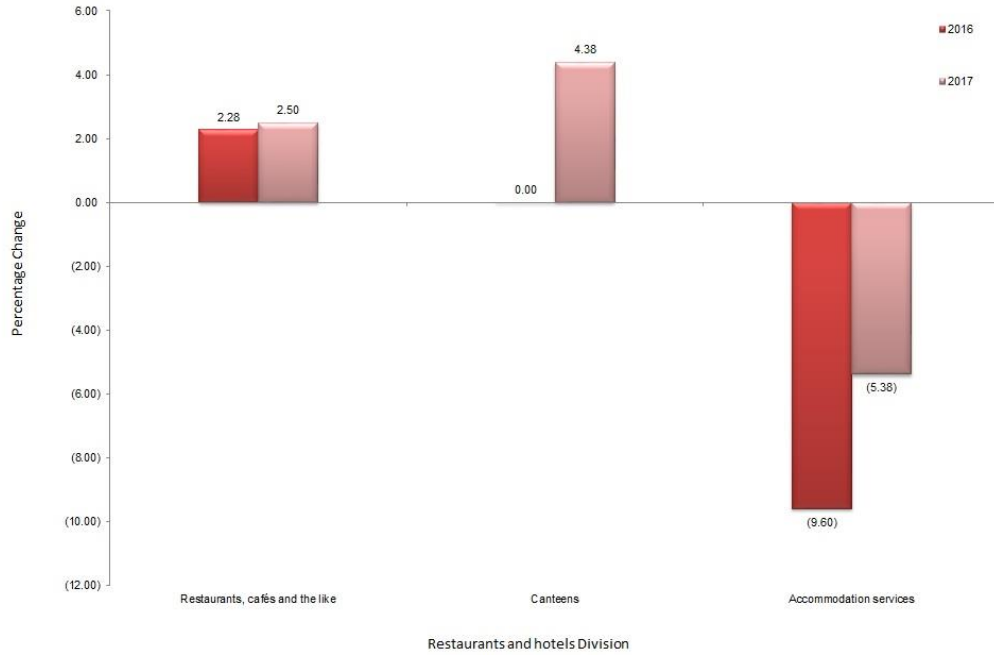
Restaurants and Hotels

Restaurants and Hotels division records an increase of 2.70%, due to an increase in the prices of Canteens by 4.38% and an increase in the prices of Restaurants, cafés and the like by 2.50%, as shown in table (12) and chart (14).

Table 12 | Inflation Rate for Restaurants and Hotels division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Restaurants and Hotels	4.00	1.97	1.71	2.70
Restaurants, cafés and the like	3.25	2.46	2.28	2.50
Canteens	0.69	-	-	4.38
Accommodation services	0.06	(1.79)	(9.60)	(5.38)

Chart 14 | Inflation Rate for Restaurants and Hotels division 2016 – 2017



Miscellaneous Goods and Services

Miscellaneous Goods and Services division change rate reached 11.18%, due to an increase in Transport Insurance prices by 53.80% after the issuance of the new unified regulation for vehicle insurance policies since January 2017, followed by Rehabilitation services prices by 3.85%, then an increase of 0.65% in the prices of Financial services n.e.c, as shown in table (13) and chart (15).

Table 13 | Inflation Rate for Miscellaneous Goods and Services division 2015 – 2017

Division / Group	Weight	Percentage Change		
		2015	2016	2017
Miscellaneous Goods and Services	5.63	2.72	2.55	11.18
Personal care Services	1.28	2.53	0.94	(0.77)
Electric Appliances for Personal Care	<0.01	5.29	3.15	(2.82)
Other Appliances, Articles and Products for Personal Care	2.39	2.62	0.38	0.12
Jewellery, Clocks and Watches	0.20	(7.41)	4.78	0.60
Other Personal Effects	0.09	1.40	(2.45)	(7.44)
Rehabilitation services	<0.01	-	-	3.85
Children Day Nurseries	0.01	-	-	-
Health Insurance	<0.01	-	-	-
Transport Insurance	1.11	4.01	10.51	53.80
Financial services n.e.c.	0.06	1.02	-	0.65
Other Services n.e.c.	0.47	5.53	(0.39)	(1.91)

Chart 15 | Inflation Rate for Miscellaneous Goods and Services division 2016 – 2017

