

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

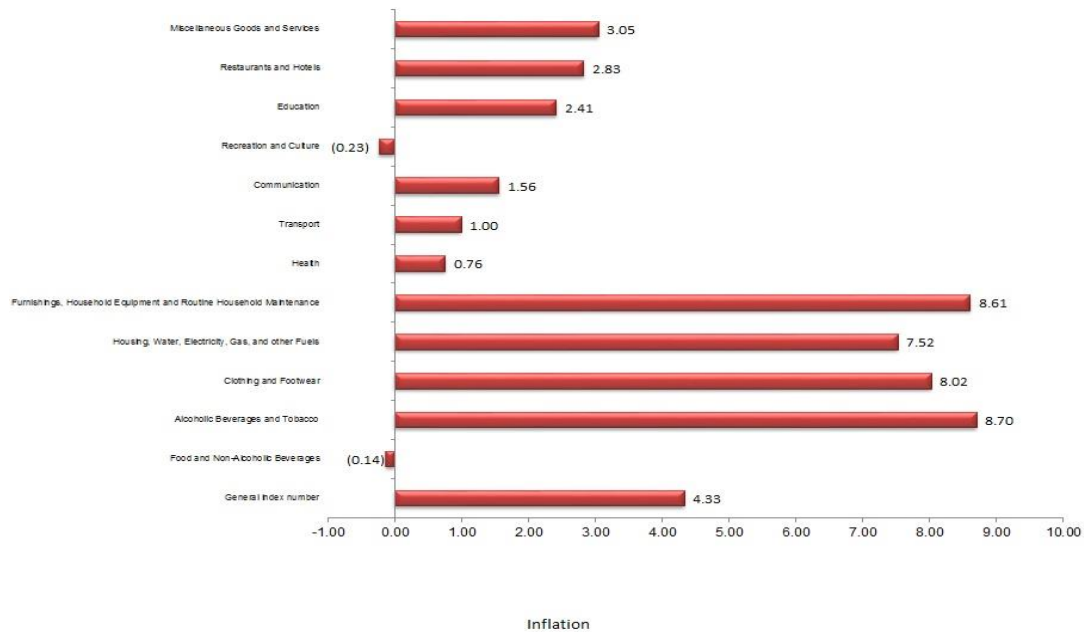
Inflation Rate in the Emirate of Dubai rose to record 4.33% in the First Half of 2015 compared to the same period of 2014. This is due to an increase in the prices of Alcoholic Beverages and Tobacco group by 8.70% with an effect of 0.24% in the consumer basket. The prices of Furnishings, Household Equipment and Routine Household Maintenance group increased to record 8.61% where this group form 3.34% of total relative importance in the consumer basket. Clothing and Footwear group recorded 8.02% forming 5.52% of consumer basket weight. Moreover the prices of Housing, Water, Electricity, Gas, and other Fuels group increased by 7.52% and this group considered as the highest group in the relative importance in the consumer basket by 43.70%. In addition, the prices of Miscellaneous Goods and Services group reached to 3.05% where this group accounted for 6.15% of the total weight of the consumer basket. Restaurants and Hotels group prices increased by 2.83% it form 5.48% in the relative importance of the consumer basket. The increases in the school fees leads the prices of Education group rise by 2.41% and accounted for 4.09% from the total weight of the consumer basket. Further, Communication group records 1.56% and it has a relative importance of 6.00% to the consumer basket. Additionally, Transport group prices grew by 1.00% and the relative importance of this group to the consumer basket total is 9.08%, likewise the prices of Health group grew by 0.76% and this group has a relative importance of 1.08% in the consumer basket. On the other hand, the prices of the Recreation and Culture group prices decreased by 0.23% and the Food and Non-Alcoholic Beverages group prices by 0.14% and the previous two groups has a relative importance impact to the consumer basket by 4.24% and 11.08% respectively. As shown in table (1).

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

2007 = 100

Expenditure groups	Weight	CPI First Half 2014	CPI First Half 2015	Inflation Rate (%)
General index number	100.00	118.47	123.60	4.33
Food and Non-Alcoholic Beverages	11.08	141.92	141.73	(0.14)
Alcoholic Beverages and Tobacco	0.24	136.57	148.45	8.70
Clothing and Footwear	5.52	121.36	131.10	8.02
Housing, Water, Electricity, Gas, and other Fuels	43.70	102.06	109.74	7.52
Furnishings, Household Equipment and Routine Household Maintenance	3.34	132.00	143.36	8.61
Health	1.08	124.29	125.22	0.76
Transport	9.08	132.33	133.65	1.00
Communication	6.00	91.05	92.47	1.56
Recreation and Culture	4.24	108.30	108.06	(0.23)
Education	4.09	174.74	178.95	2.41
Restaurants and Hotels	5.48	147.21	151.38	2.83
Miscellaneous Goods and Services	6.15	131.55	135.56	3.05

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



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

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

Inflation rate of Food and Non-Alcoholic Beverages Group decreased by 0.14%. Because of a decline in the prices of Fish and seafood by 6.82% Followed by a decrease in the prices of Fruits by 2.48%, Moreover, the prices of Vegetables drop by 0.36%.

### **Alcoholic Beverages and Tobacco**

Inflation rate of Alcoholic Beverages and Tobacco group increased by 8.70%, due to an increase in the prices of Tobacco by 11.52% due to the prices increase in all outlet since last July.

### **Clothing and Footwear**

The prices of Clothing and Footwear group reached 8.02%. The group prices record an inflation due to an increase in the prices of Garments by 10.97%, in addition, the prices of Shoes and other Footwear increased by 2.80%, likewise 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 7.52%. As the prices of Rents increased by 9.22%. In addition to that, prices of Liquid Fuels rose by 0.20% and also prices of Electricity increased by 0.15% 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 to record 8.61%. As a result of an increase the prices of Small Electric Household Appliances by 22.86%. Followed by an increase in the prices of Domestic Services and Household Services by 16.20%, due to an increase in labor wages, and prices of non-durable Household Appliances rise by 1.64%.

## Health

Inflation rate of Health group reached 0.76%. The increases in the prices of Other Medical products by 5.11%, followed by an increase in the prices of Hospital services by 3.02% and the prices of Paramedical services increased by 2.24%, leads to the recorded inflation of the health group.

## Transport

Inflation rate of Transport group reached 1.00%, 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 5.51% and 3.47% respectively.

## Communication

Communication group prices increased to record 1.56%. The increase was as a result of the increase in the prices of Postal services by 9.58% after the increase in the annual subscription fee of an individual post office box that made by The Emirates Post Group since last December, Further, the prices of Wireless and Wired Services rose by 1.69%.

## Recreation and Culture

Inflation rate of Recreation and Culture group dropped to 0.23%. Due to a decrease in the prices of Equipment for the Reception, Recording and Reproduction of Sound and Pictures by 30.55% as a result of the rapid development of the technology sector, followed by the prices of Information Processing Equipment by 13.03% then the prices of Photographic and Cinematographic Equipment and Optical Instruments by 9.81%.

## **Education**

Inflation rate of Education group has increased by 2.41%, As a result of an increase in Secondary education fees by 2.85%, followed by Pre-primary and primary education fees by 2.78% and Post-secondary non-tertiary education fees by 1.41%.

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 2.83%, Because of, an increase in the prices of Restaurants, Cafés and the like by 2.86%.

## **Miscellaneous Goods and Services**

Inflation rate of Miscellaneous Goods and Services group increased by 3.05%. As the prices of Other Services n.e.c. increased by 6.01%, followed by an increase in Personal care Services prices by 4.03%. Additionally, the prices of Other Appliances, Articles and Products for Personal Care increased by 3.73%.