

## **Inflation in Consumer Price Index Third Quarter 2016 - Emirate of Dubai**

Inflation Rate in the Emirate of Dubai record 1.26% in the Third Quarter of 2016 compared to the Second Quarter of 2016. This is due to an increase in the Recreation and Culture group by 3.01% and it has a relative importance impact to the consumer basket by 2.33%. In addition, prices of Transport group increased by 2.93% and the relative importance of this group to the consumer basket total is 10.62%. Food and Beverages group increased by 2.63% and it has a relative importance impact to the consumer basket by 13.09%. Clothing and Footwear group increased by 2.56% forming 2.05% of consumer basket weight. Education group increased by 1.49% where this group form 8.48% of total relative importance in the consumer basket. Health group grew by 1.22% and this group has a relative importance of 0.85% in the consumer basket. Miscellaneous Goods and Services group reached 1.20% where this group accounted for 5.63% of the total weight in the consumer basket. Housing, Water, Electricity, Gas, and other Fuels group increased by 0.67% and this group considered as the highest group in the relative importance in the consumer basket by 43.62%. Restaurants and Hotels group increased by 0.52% it form 4.00% in the relative importance of the consumer basket. Tobacco group increased by 0.09% with an effect of 0.35% in the consumer basket, and Communication group records an increase by 0.03% and it has a relative importance of 5.22% to the consumer basket. While the prices of Furnishings, Household Equipment and Routine Household Maintenance group dropped by 0.05% and accounted for 3.76% from the total weight of the consumer basket.

On the other hand, Inflation rate increased by 2.32% in the Third Quarter of 2016 compared to the same period of 2015. This is due to an increase in the prices of Education group by 6.92%. Housing, Water, Electricity, Gas, and other Fuels group increased by 4.10%. Clothing and Footwear group increased by 3.45%. Recreation and Culture group increased by 3.09%. Miscellaneous Goods and Services group reached to 2.87%. Health group grew by 1.62%. Restaurants and Hotels group increased by 1.15%. Food and Beverages group increased by 0.91%, and Tobacco group increased by 0.11%. While the prices of Transport group dropped by 4.92%. Furnishings, Household Equipment and Routine Household Maintenance group

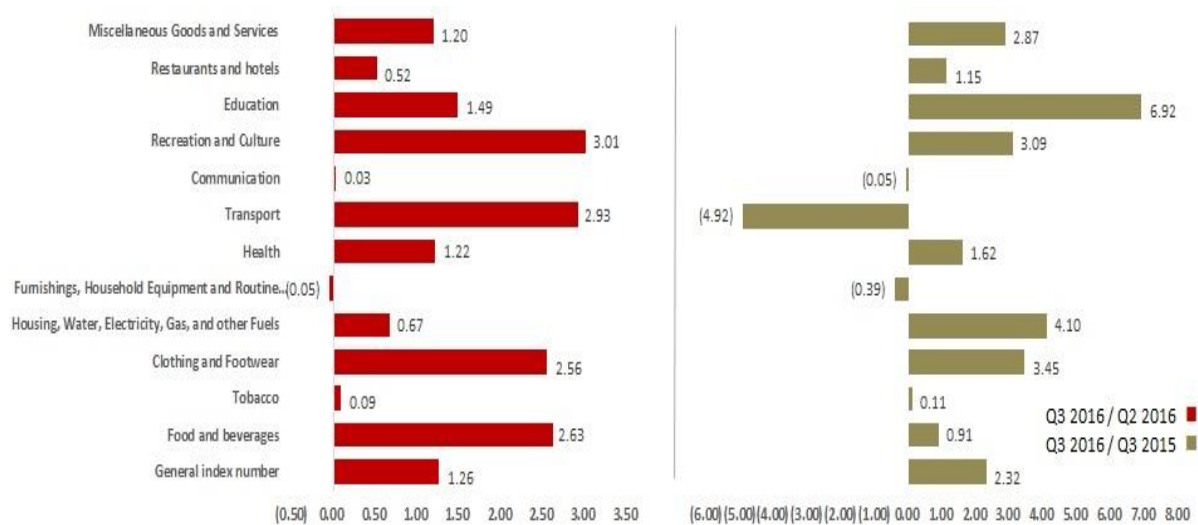
decreased by 0.39%, and Communication group records a decrease by 0.05%. As shown in table (1).

**Table (1) | Inflation and Consumer Price Index in Third Quarter 2016**

2014 = 100

| Expenditure groups   | Weight | CPI     | CPI     | CPI     | Inflation Rate (%) | Inflation Rate (%) |
|--|--------|---------|---------|---------|--------------------|--------------------|
|  |        | Q3 2015 | Q2 2016 | Q3 2016 | Q3 2016 / Q2 2016  | Q3 2016 / Q3 2015  |
| General index number   | 100.00 | 105.25  | 106.35  | 107.69  | 1.26               | 2.32               |
| Food and Beverages   | 13.09  | 102.57  | 100.85  | 103.50  | 2.63               | 0.91               |
| Tobacco  | 0.35   | 104.40  | 104.42  | 104.51  | 0.09               | 0.11               |
| Clothing and Footwear  | 2.05   | 103.99  | 104.90  | 107.58  | 2.56               | 3.45               |
| Housing, Water, Electricity, Gas, and other Fuels                  | 43.62  | 106.97  | 110.62  | 111.36  | 0.67               | 4.10               |
| Furnishings, Household Equipment and Routine Household Maintenance | 3.76   | 110.16  | 109.80  | 109.74  | (0.05)             | (0.39)             |
| Health   | 0.85   | 102.06  | 102.47  | 103.72  | 1.22               | 1.62               |
| Transport  | 10.62  | 107.13  | 98.96   | 101.86  | 2.93               | (4.92)             |
| Communication  | 5.22   | 100.53  | 100.45  | 100.48  | 0.03               | (0.05)             |
| Recreation and Culture   | 2.33   | 101.21  | 101.29  | 104.34  | 3.01               | 3.09               |
| Education  | 8.48   | 103.28  | 108.81  | 110.43  | 1.49               | 6.92               |
| Restaurants and Hotels   | 4.00   | 102.63  | 103.27  | 103.81  | 0.52               | 1.15               |
| Miscellaneous Goods and Services                                   | 5.63   | 103.24  | 104.96  | 106.21  | 1.20               | 2.87               |

**Figure (1) | Inflation in Consumer Price Index - Third Quarter 2016**



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

### **Food and Beverages**

Prices of Food and Beverages Group increased by 2.63% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. Because of an increase in the prices of Vegetables by 10.69%. Followed by an increase in the prices of Fish and seafood by 8.61% and prices of Fruits increased by 3.89%.

In addition, Prices of Food and Beverages Group increased by 0.91% in the 3<sup>rd</sup> Quarter of 2016 compared to the 3<sup>rd</sup> Quarter of 2015. Because of an increase in the prices of Vegetables by 8.27%. Followed by an increase in the prices of Fruits by 2.52% and prices of Sugar, jam, honey, chocolate, and confectionery increased by 0.98%.

### **Tobacco**

Inflation rate of Tobacco group increased by 0.09% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year, due to an increase in the prices of other commodities in the group by 0.23%.

Similarly, Prices of Tobacco group increased by 0.11% in the 3<sup>rd</sup> Quarter of 2016 compared to the same period last year, due to an increase in the prices of other commodities in the group by 0.22%, and Tobacco increased by 0.04%.

### **Clothing and Footwear**

The prices of Clothing and Footwear group increased by 2.56% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year, due to an increase in the prices of Garments by 3.27%, in addition, the prices of Shoes and other Footwear increased by 1.48% and the prices of Other Articles of Clothing and Clothing Accessories reached 0.29%.

On the other hand, Prices of Clothing and Footwear group increased by 3.45% in the 3<sup>rd</sup> Quarter of 2016 compared to the 3<sup>rd</sup> Quarter of 2015, due to an increase in the prices of Garments by 4.63%, in addition, the prices of Shoes and other Footwear increased by 0.96% and the prices of Other Articles of Clothing and Clothing Accessories reached 0.43%.

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

Inflation rate of Housing, Water, Electricity, Gas, and other Fuel group increased by 0.67% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. As the prices of Liquid Fuels increased by 2.38%. Moreover, prices of Solid Fuels reached 0.88%, and the prices of Rents increased by 0.76%. By comparing the Inflation rate of Housing, Water, Electricity, Gas, and other Fuel group in the 3<sup>rd</sup> Quarter of 2016 to the same period last year, it shows that it increased by 4.10%. As the prices of Liquid Fuels increased by 6.09%. Moreover, prices of Rents increased by 4.77%.

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

Inflation rate of Furnishings, Household Equipment and Routine Household Maintenance group dropped by 0.05% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. As a result of a decrease in the prices of Small Tools and Miscellaneous Accessories by 1.79%. Followed by a decrease in the prices of Glassware, Tableware and Household Utensils by 1.67%. Furthermore, prices of Furniture and Furnishings dropped by 0.33%.

In addition, Inflation rate of Furnishings, Household Equipment and Routine Household Maintenance group dropped by 0.39% in the 3<sup>rd</sup> Quarter of 2016 compared to the 3<sup>rd</sup> Quarter of 2015. As a result of a decrease in the prices of Household Textiles by 6.37%, followed by Major Household Appliances by 3.05%, and prices of Furniture and Furnishings dropped by 1.87%.

### **Health**

Inflation rate of Health group reached 1.22% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. Because of an increase in the prices of Dental services by 5.06%, as well as the prices of Medical services increased by 4.93% and the prices of Paramedical services increased by 1.24%.

Moreover, Inflation rate of Health group increased by 1.62% in the 3<sup>rd</sup> Quarter of 2016 compared to the same period last year. Because of an increase in the prices of Dental services by 7.78%, as well as the prices of Medical services increased by 7.58% and the prices of Medical products increased by 1.90%.

## **Transport**

Inflation rate of Transport group increased to record 2.93% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year, with the highest increase in the prices of other services in respect of personal transport equipment by 9.72%. In addition to that, prices of Passenger transport by air increased by 5.50%, followed by an increase by 1.92% in the prices of Fuels and lubricants for personal transport equipment.

By contrast, inflation rate of Transport group dropped to 4.92% in the 3<sup>rd</sup> Quarter of 2016 compared to the 3<sup>rd</sup> Quarter of 2015, with a highest decrease in the prices of Passenger transport by air by 15.62%. followed by prices of Fuels and lubricants for personal transport equipment by 12.96%. In addition to that, prices of Motor cycles decreased by 0.19%.

## **Communication**

Communication group prices increased by 0.03% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. As a result of the increase in the prices of Telephone and Telefax Equipment by 0.92%.

On the other hand, prices of Communication group decreased slightly by 0.05% in the 3<sup>rd</sup> Quarter of 2016 compared to the same period last year. As a result of the decrease in the prices of Postal services by 1.75%, followed by Telephone and Telefax Equipment by 0.63%, and the prices of Telephone and Telefax Services decreased by 0.03%.

## **Recreation and Culture**

Inflation rate of Recreation and Culture group increased by 3.01% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. Due to an increase in the prices of holiday Packages by 5.80%, in addition, prices of Books increased by 3.31%, further, an increase by 1.32% in the prices of Stationery and Drawing Materials.

In addition, Inflation rate of Recreation and Culture group increased by 3.09% in the 3<sup>rd</sup> Quarter of 2016 compared to the 3<sup>rd</sup> Quarter of 2015. Due to an increase in the prices of holiday Packages by 5.80%, then prices of Books by 4.71%, as well as, the prices of Cultural Services increased by 2.18%.

## **Education**

Inflation rate of Education group has increased by 1.49% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year, As a result of an increase in the fees of Post-secondary non-tertiary education by 3.42%, followed by Tertiary education fees by 1.82% and Pre-primary and primary education fees by 1.50%.

Moreover, by comparing the Inflation rate of Education group in the 3<sup>rd</sup> Quarter of 2016 to the same period last year, it shows an increase by 6.92%, As a result of an increase in the fees of Secondary education by 7.16%, followed by Pre-primary and primary education fees by 7.09% and Post-secondary non-tertiary education fees increased by 6.40%.

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 0.52% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year, due to an increase in the prices of Accommodation services by 0.85%. In addition to that, Restaurants and Cafés increased by 0.62%.

Similarly, Inflation rate of Restaurants and Hotels group reached 1.15% in the 3<sup>rd</sup> Quarter of 2016 compared to the 3<sup>rd</sup> Quarter of 2015, due to an increase in the prices of Restaurants and Cafés by 1.48%.

## **Miscellaneous Goods and Services**

Inflation rate of Miscellaneous Goods and Services group increased by 1.20% in the 3<sup>rd</sup> Quarter of 2016 compared to the 2<sup>nd</sup> Quarter from the same year. As the prices of Jewellery, Clocks and Watches increased by 5.54%, followed by an increase in Transport Insurance prices by 5.28%. Additionally, the prices of other Appliances, Articles and Products for Personal Care increased by 0.14%.

Additionally, Inflation rate of Miscellaneous Goods and Services group increased by 2.87% in the 3<sup>rd</sup> Quarter of 2016 compared to the same period last year. As the prices of Jewellery, Clocks and Watches increased by 14.46%, followed by an increase in Transport Insurance prices by 12.24%. In addition, prices of other Appliances, Articles and Products for Personal Care increased by 0.49%.