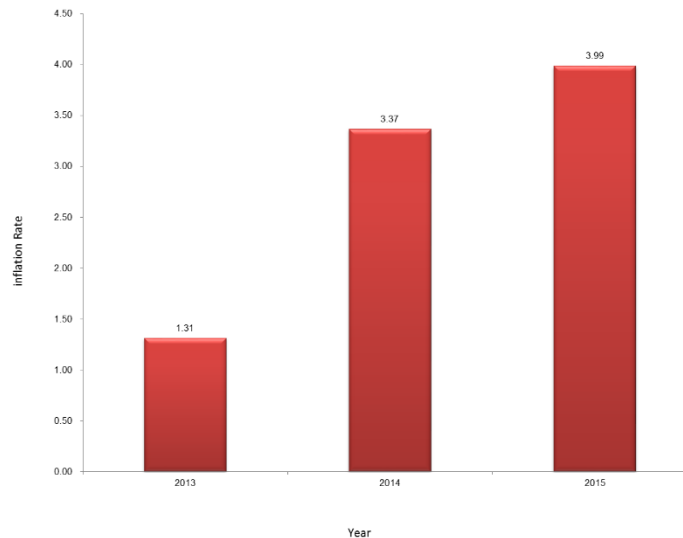


Inflation in Consumer Price Index

Emirate of Dubai 2015

Consumer Price Index considered as a principal base to show inflation indicator, which measure the periodic changes in 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 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 this year family expenditures and income survey results. Based on this, goods and services have been divided according to Classification of Individual Consumption According to Purpose (COICOP), into 12 main expenditure groups, as the following, Food and Beverages group has a relative importance impact to the consumer basket by 11.08%, whereas, Tobacco group has an effect of 0.24% in the consumer basket, Clothing and Footwear group form 5.52% of consumer basket weight. Moreover, Housing, Water, Electricity, Gas, and other Fuels group considered as the highest group in the relative importance in the consumer basket by 43.70%, Furnishings, Household Equipment and Routine Household Maintenance group form 3.34% of total relative importance in the consumer basket. In addition, Health group has an effect of 1.08% in the consumer basket, the relative importance of Transport group to the consumer basket total is 9.08%, Communication group has a relative importance of 6.00% to the consumer basket. Additionally, Recreation and Culture group form 4.24% of total relative importance in the consumer basket, Education group accounted for 4.09% from the total weight of the consumer basket. Restaurants and Hotels group form 5.48% in the relative importance of the consumer basket, Finally, Miscellaneous Goods and Services group accounted for 6.15% of the total weight of the consumer basket.



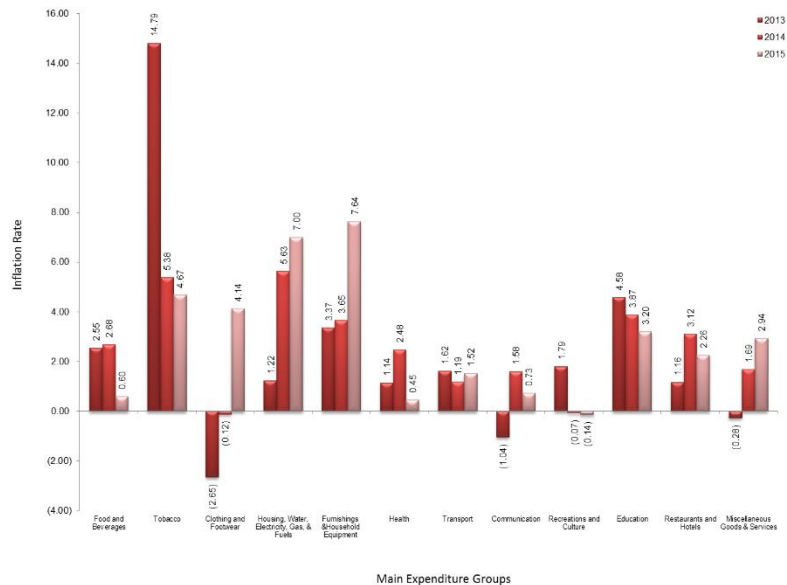
General Inflation

Inflation rate of 2015 amounted to 3.99% compared to 2014, due to an increase in the prices of Furnishings, Household Equipment and Routine Household Maintenance group by 7.64%, Housing, Water, Electricity, Gas, and other Fuels group by 7.00%, Tobacco group by 4.67%, Clothing and Footwear group by 4.14%, Education group by 3.20%, Miscellaneous Goods and Services group by 2.94%, Restaurants and Hotels group by 2.26%, Transport group by 1.52%, Communication group by 0.73%, Food and Beverages group by 0.60% and Health group by 0.45%, On the other hand, inflation rate for Recreations and Culture group declined by 0.14%. As illustrated in table (1) and chart (1).

Table 1 | Inflation Rate for Main Expenditure Groups 2013 – 2015

Expenditure groups	Weight	2007 = 100		
		2013	2014	2015
Inflation (General number)	100.00	1.31	3.37	3.99
Food and Beverages	11.08	2.55	2.68	0.60
Tobacco	0.24	14.79	5.38	4.67
Clothing and Footwear	5.52	(2.65)	(0.12)	4.14
Housing, Water, Electricity, Gas, and other Fuels	43.70	1.22	5.63	7.00
Furnishings, Household Equipment and Routine Household Maintenance	3.34	3.37	3.65	7.64
Health	1.08	1.14	2.48	0.45
Transport	9.08	1.62	1.19	1.52
Communication	6.00	(1.04)	1.58	0.73
Recreations and Culture	4.24	1.79	(0.07)	(0.14)
Education	4.09	4.58	3.87	3.20
Restaurants and Hotels	5.48	1.16	3.12	2.26
Miscellaneous Goods and Services	6.15	(0.28)	1.69	2.94

Chart 1 | Inflation Rate for Main Expenditure Groups 2013 – 2015



Food and Beverages

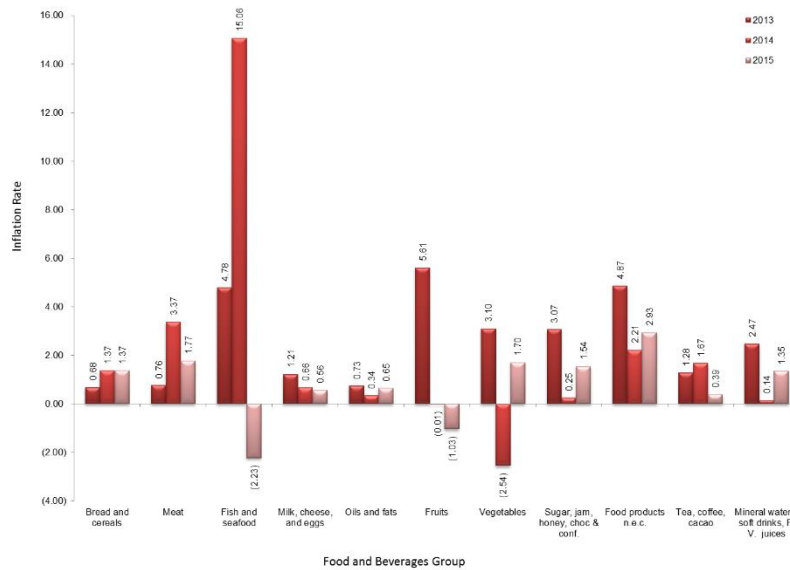
Food and Beverages group inflation rate amounted to 0.60%, with highest increase in the prices of Food products n.e.c. by 2.93%, followed by an increase in the prices of Meat by 1.77%, then an increase by 1.70% in the prices of Vegetables. As illustrated in table (2) and chart (2).

Table 2 | Inflation Rate for Food and Beverages group 2013 – 2015

2007 = 100

Expenditure groups	Weight	2013	2014	2015
Food and beverages	11.08	2.55	2.68	0.60
Bread and cereals	1.45	0.68	1.37	1.37
Meat	2.10	0.76	3.37	1.77
Fish and seafood	1.20	4.78	15.06	(2.23)
Milk, cheese and eggs	1.27	1.21	0.66	0.56
Oils and fats	0.39	0.73	0.34	0.65
Fruits	1.32	5.61	(0.01)	(1.03)
Vegetables	1.25	3.10	(2.54)	1.70
Sugar, jam, honey, chocolate and confectionery	0.58	3.07	0.25	1.54
Food products n.e.c.	0.32	4.87	2.21	2.93
Tea, coffee and cacao	0.30	1.28	1.67	0.39
Mineral waters, soft drinks, fruits and vegetables juices	0.90	2.47	0.14	1.35

Chart 2 | Inflation Rate for Food and Beverages group 2013 – 2015



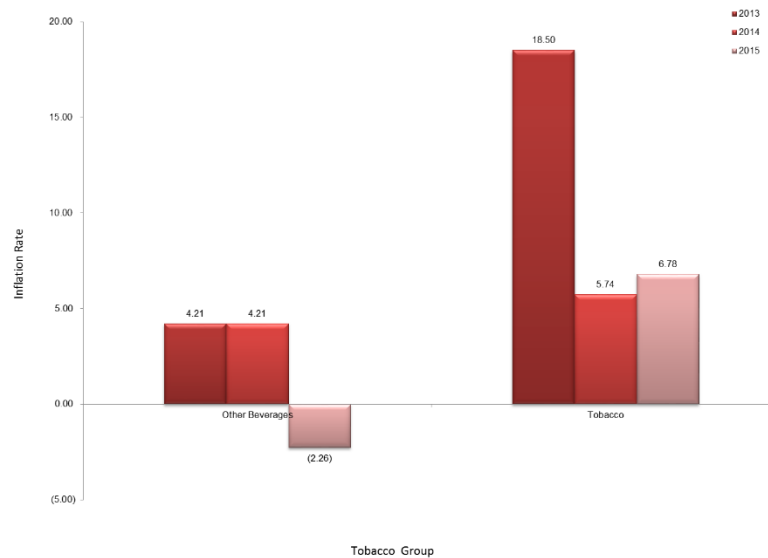
Tobacco

Tobacco group inflation rate reached 4.67%, due to an increase in the prices of Tobacco by 6.78%. As illustrated in table (3) and chart (3).

Table 3 | Inflation Rate for Alcoholic Beverages and Tobacco group 2013 – 2015

Expenditure groups	Weight	2007 = 100		
		2013	2014	2015
Tobacco	0.24	14.79	5.38	4.67
Other Beverages	0.06	4.21	4.21	(2.26)
Tobacco	0.18	18.50	5.74	6.78

Chart 3 | Inflation Rate for Tobacco group 2013 – 2015



Clothing and Footwear

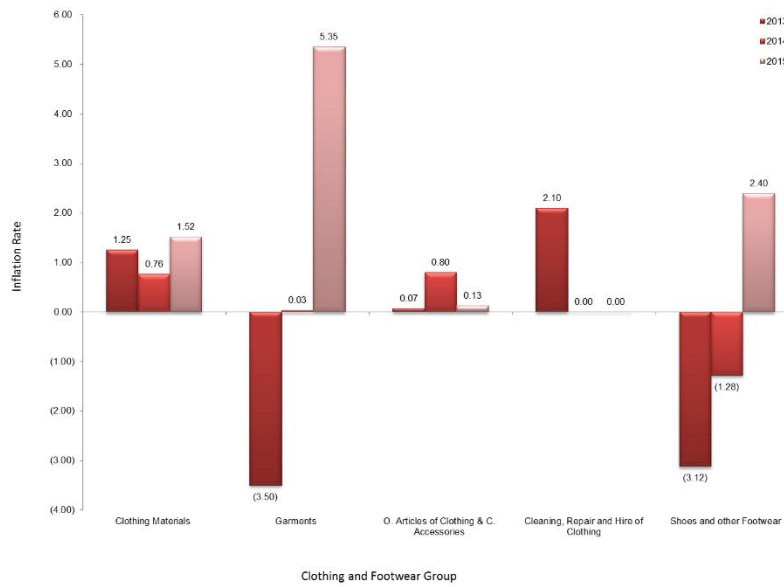
Clothing and Footwear group inflation rate reached 4.14%, due to an increase in the prices of Garments by 5.35%, followed by Shoes and other Footwear prices by 2.40%, then the prices of Clothing Materials increased by 1.52%. As illustrated in table (4) and chart (4).

Table 4 | Inflation Rate for Clothing and Footwear group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Clothing and Footwear	5.52	(2.65)	(0.12)	4.14
Clothing Materials	0.34	1.25	0.76	1.52
Garments	3.77	(3.50)	0.03	5.35
Other Articles of Clothing and Clothing Accessories	0.06	0.07	0.80	0.13
Cleaning, Repair and Hire of Clothing	0.39	2.10	-	-
Shoes and other Footwear	0.96	(3.12)	(1.28)	2.40

2007 = 100

Chart 4 | Inflation Rate for Clothing and Footwear group 2013 – 2015



Housing, Water, Electricity, Gas, and other Fuels

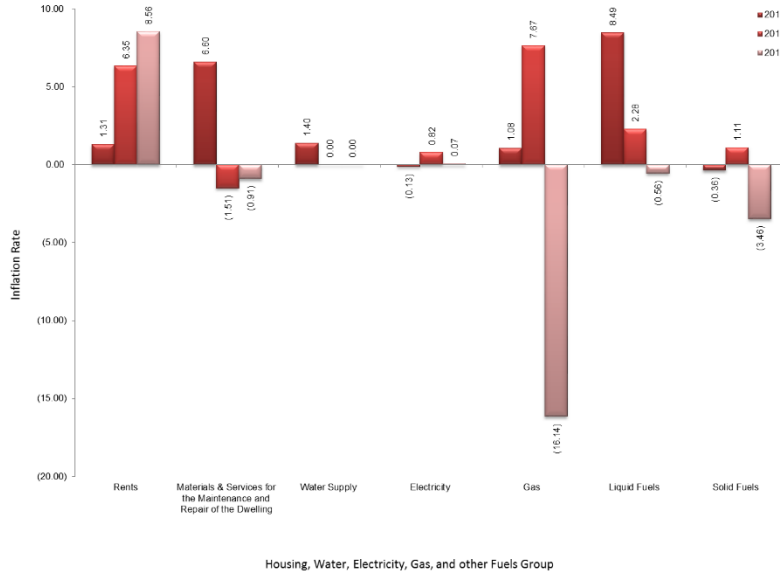
Housing, Water, Electricity, Gas, and other Fuels group inflation rate amounted to 7.00%, with highest increase in the prices of Rents by 8.56%, then an increase by 0.07% in the prices of Electricity. As illustrated in table (5) and chart (5).

Table 5 | Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Housing, Water, Electricity, Gas, and other Fuels	43.70	1.22	5.63	7.00
Rents	38.33	1.31	6.35	8.56
Materials & Services for the Maintenance and Repair of the Dwelling	0.22	6.60	(1.51)	(0.91)
Water Supply	1.41	1.40	–	–
Electricity	3.19	(0.13)	0.82	0.07
Gas	0.51	1.08	7.67	(16.14)
Liquid Fuels	0.02	8.49	2.28	(0.56)
Solid Fuels	0.02	(0.36)	1.11	(3.46)

2007 = 100

Chart 5 | Inflation Rate for Housing, Water, Electricity, Gas, and other Fuels group 2013 – 2015



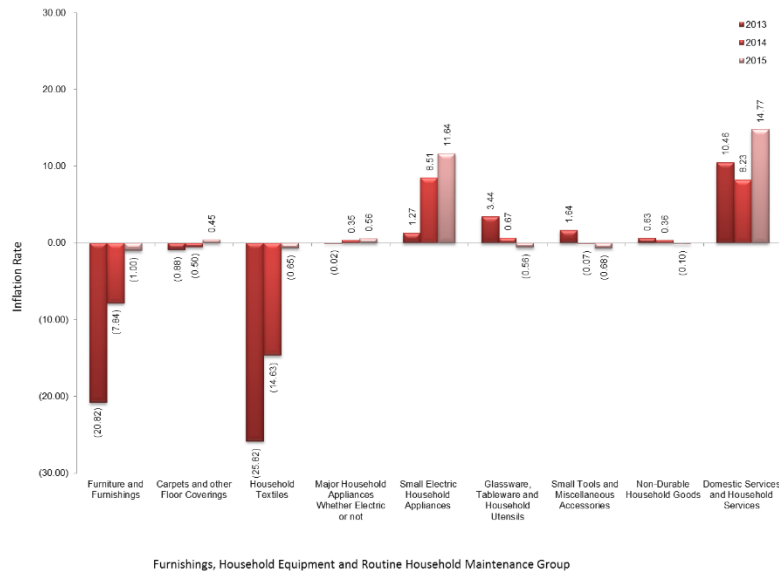
Furnishings, Household Equipment and Routine Household Maintenance

Furnishings, Household Equipment and Routine Household Maintenance group inflation rate reached 7.64%, due to an increase in the prices of Domestic Services and Household Services by 14.77% due to an increase in labor wages, followed by prices of Small Electric Household Appliances by 11.64%, then an increase in the prices of Major Household Appliances by 0.56%. As illustrated in table (6) and chart (6).

Table 6 | Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Furnishings, Household Equipment and Routine Household Maintenance	3.34	3.37	3.65	7.64
Furniture and Furnishings	0.37	(20.82)	(7.84)	(1.00)
Carpets and other Floor Coverings	0.03	(0.88)	(0.50)	0.45
Household Textiles	0.07	(25.82)	(14.63)	(0.65)
Major Household Appliances Whether Electric or not	0.14	(0.02)	0.35	0.56
Small Electric Household Appliances	0.01	1.27	8.51	11.64
Glassware, Tableware and Household Utensils	0.40	3.44	0.67	(0.56)
Small Tools and Miscellaneous Accessories	0.04	1.64	(0.07)	(0.68)
Non-Durable Household Goods	0.61	0.63	0.36	(0.10)
Domestic Services and Household Services	1.67	10.46	8.23	14.77

Chart 6 | Inflation Rate for Furnishings, Household Equipment and Routine Household Maintenance group 2013 – 2015



Health

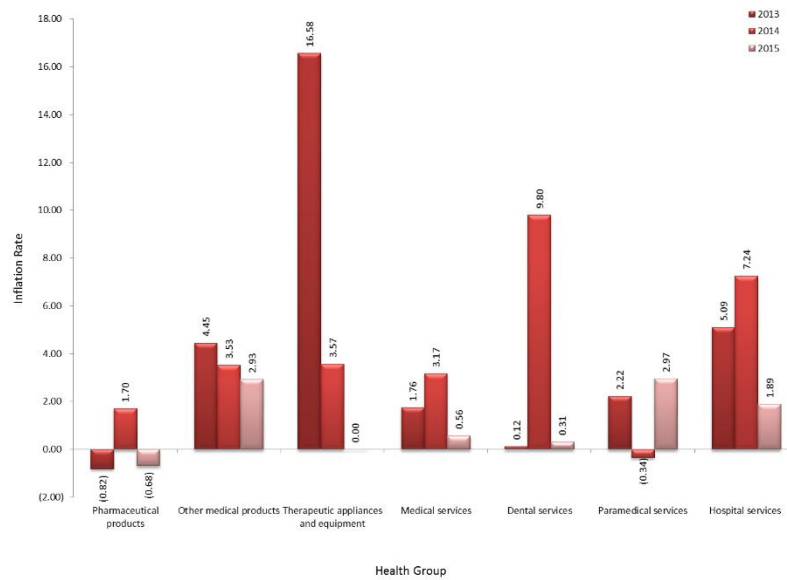
Health group inflation rate amounted to 0.45%, due to the raise in the prices of Paramedical services by 2.97%, followed by the prices of Other medical products by 2.93%, then an increase in the Hospital services fees by 1.89%. As illustrated in table (7) and chart (7).

Table 7 | Inflation Rate for Health group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Health	1.08	1.14	2.48	0.45
Pharmaceutical products	0.73	(0.82)	1.70	(0.68)
Other medical products	0.04	4.45	3.53	2.93
Therapeutic appliances and equipment	0.02	16.58	3.57	–
Medical services	0.04	1.76	3.17	0.56
Dental services	0.02	0.12	9.80	0.31
Paramedical services	0.15	2.22	(0.34)	2.97
Hospital services	0.08	5.09	7.24	1.89

2007 = 100

Chart 7 | Inflation Rate for Health group 2013 – 2015



Transport

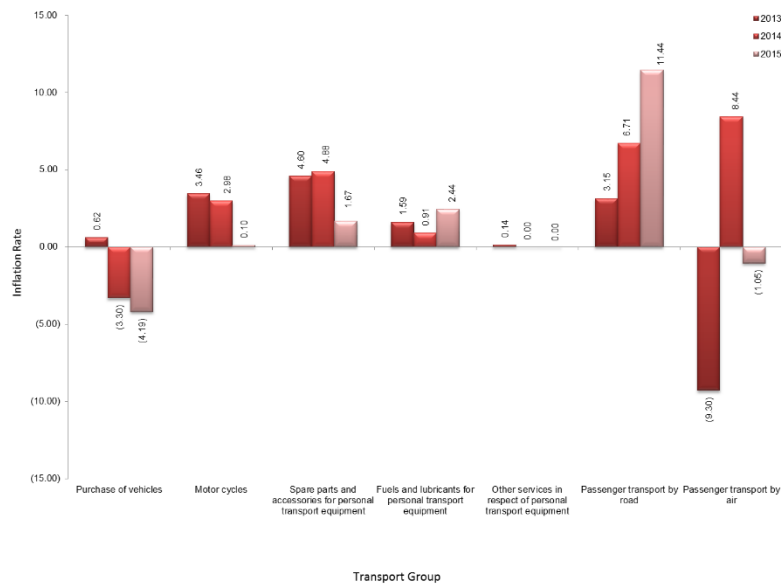
Transport group inflation rate reached 1.52%. As a result of an increase in the prices of Passenger transport by road by 11.44% after a decision from Roads and Transport Authority on the new tariff for taxi trips within the emirate since December 2014. In addition to that, prices of Fuels and lubricants for personal transport equipment rose by 2.44% after the announcement by the Ministry of Energy regarding deregulation of fuel prices in the UAE since August 2015, then an increase of 1.67% in the prices of Spare parts and accessories for personal transport equipment. As illustrated in table (8) and chart (8).

Table 8 | Inflation Rate for Transport group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Transport	9.08	1.62	1.19	1.52
Purchase of vehicles	1.17	0.62	(3.30)	(4.19)
Motor cycles	0.01	3.46	2.98	0.10
Spare parts and accessories for personal transport equipment	1.08	4.60	4.88	1.67
Fuels and lubricants for personal transport equipment	4.47	1.59	0.91	2.44
Maintenance and repair of personal transport equipment	1.41	–	–	–
Other services in respect of personal transport equipment	0.46	0.14	–	–
Passenger transport by road	0.39	3.15	6.71	11.44
Passenger transport by air	0.09	(9.30)	8.44	(1.05)

2007 = 100

Chart 8 | Inflation Rate for Transport group 2013 – 2015



Communication

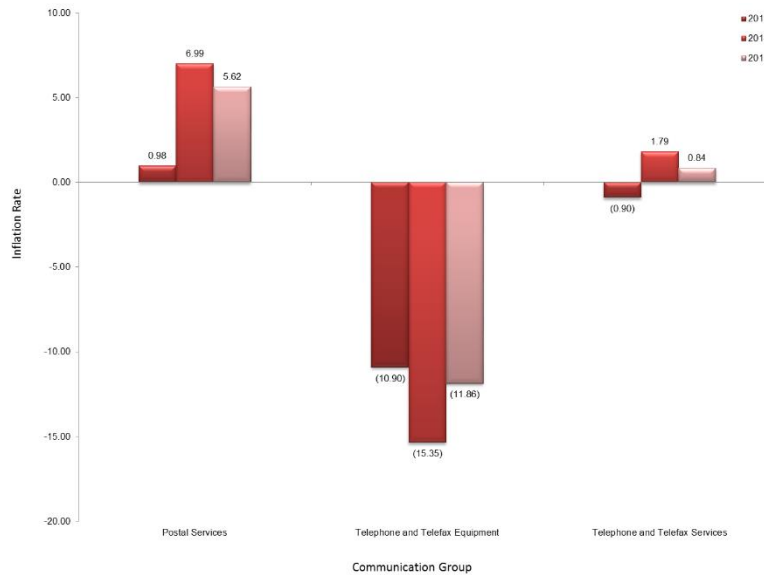
Communication group inflation rate amounted to 0.73%, due to the increase in the prices of Postal Services by 5.62% after the increase in the annual subscription fee of an individual post office box that made by The Emirates Post Group since December 2014, Further, the prices of Telephone and Telefax Services increased by 0.84%. As illustrated in table (9) and chart (9).

Table 9 | Inflation Rate for communication group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Communication	6.00	(1.04)	1.58	0.73
Postal Services	0.03	0.98	6.99	5.62
Telephone and Telefax Equipment	0.12	(10.90)	(15.35)	(11.86)
Telephone and Telefax Services	5.85	(0.90)	1.79	0.84

2007 = 100

Chart 9 | Inflation Rate for Communication group 2013 – 2015



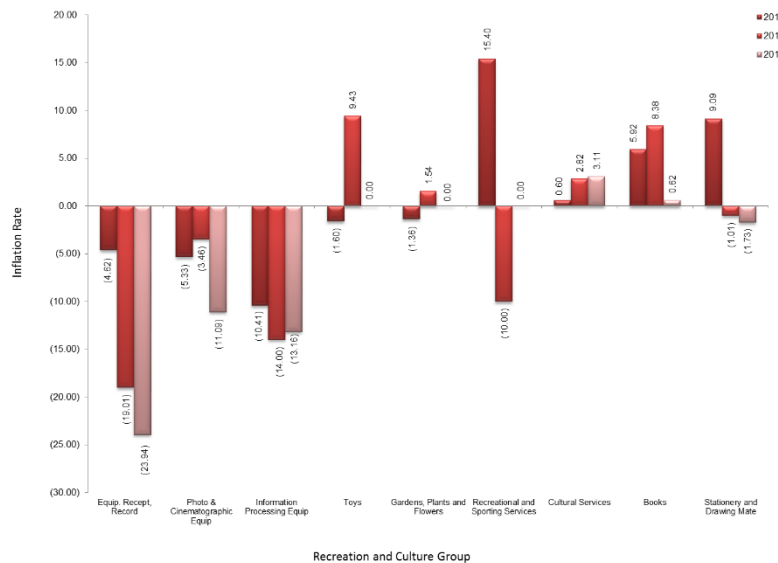
Recreation and Culture

Recreation and Culture group deflation rate amounted to 0.14%, due to a decrease in the prices of Equipment for the Reception, Recording and Reproduction of Sound and Pictures by 23.94%, followed by Information Processing Equipment prices by 13.16%, then a decrease in the prices of Photographic and Cinematographic Equipment and Optical Instruments by 11.09% as a result of the rapid development of the technology sector. As illustrated in table (10) and chart (10).

Table 10 | Inflation Rate for Recreation and Culture group 2013 – 2015

2007 = 100				
Expenditure groups	Weight	2013	2014	2015
Recreation and Culture	4.24	1.79	(0.07)	(0.14)
Equipment for the Reception, Recording and Reproduction of Sound and Pictures	0.11	(4.62)	(19.01)	(23.94)
Photographic and Cinematographic Equipment and Optical Instruments	0.05	(5.33)	(3.46)	(11.09)
Information Processing Equipment	0.06	(10.41)	(14.00)	(13.16)
Toys	0.16	(1.60)	9.43	–
Gardens, Plants and Flowers	0.08	(1.36)	1.54	–
Recreational and Sporting Services	0.25	15.40	(10.00)	–
Cultural Services	0.61	0.60	2.82	3.11
Books	0.15	5.92	8.38	0.62
Newspapers and Periodicals	2.48	–	–	–
Stationery and Drawing Materials	0.29	9.09	(1.01)	(1.73)

Chart 10 | Inflation Rate for Recreation and Culture group 2013 – 2015



Education

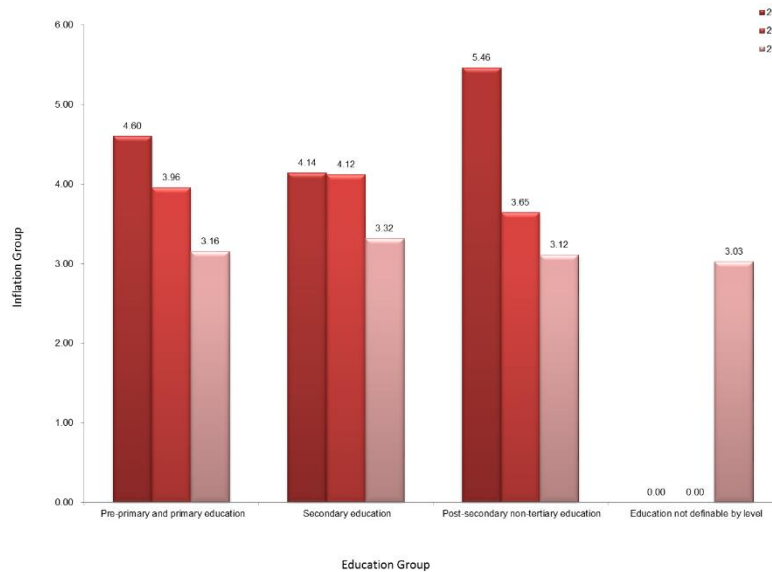
Education inflation rate has increased by 3.20%, due to an increase by 3.32% in the fees of Secondary education, followed by an increase in the fees of Pre-primary and primary education by 3.16% and by 3.12% the fees of Post-secondary non-tertiary education increased. It is worth to mention that the 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.. As illustrated in table (11) and chart (11).

Table 11 | Inflation Rate for Education group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Education	4.09	4.58	3.87	3.20
Pre-primary and primary education	1.61	4.60	3.96	3.16
Secondary education	1.47	4.14	4.12	3.32
Post-secondary non-tertiary education	0.96	5.46	3.65	3.12
Education not definable by level	0.05	–	–	3.03

2007 = 100

Chart 11 | Inflation Rate for Education group 2013 – 2015



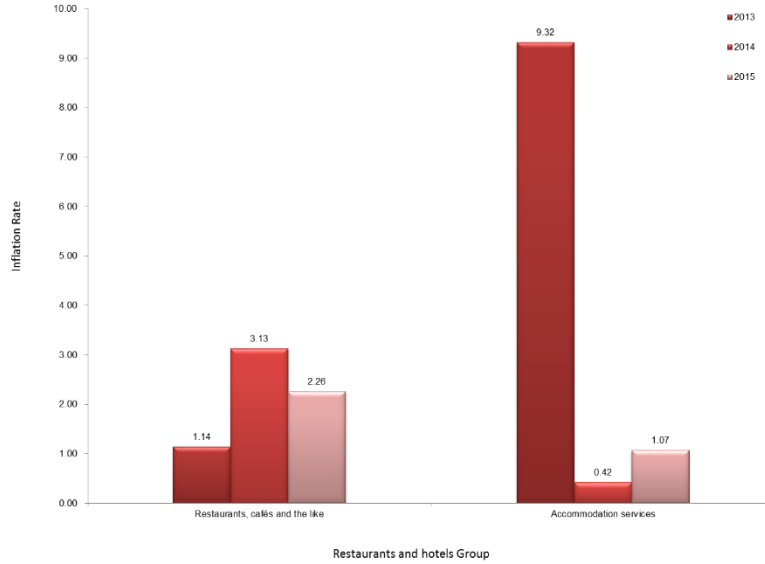
Restaurants and Hotels

Restaurants and Hotels group records an inflation of 2.26%, due to an increase in the prices of Restaurants, cafés and the like by 2.26% and the prices of Accommodation services by 1.07%. As illustrated in table (12) and chart (12).

Table 12 | Inflation Rate for Restaurants and Hotels group 2013 – 2015

2007 = 100				
Expenditure groups	Weight	2013	2014	2015
Restaurants and Hotels	5.48	1.16	3.12	2.26
Restaurants, cafés and the like	5.45	1.14	3.13	2.26
Accommodation services	0.03	9.32	0.42	1.07

Chart 12 | Inflation Rate for Restaurants and Hotels group 2013 – 2015



Miscellaneous Goods and Services

Miscellaneous Goods and Services group inflation rate reached 2.94%, due to an increase in Other Services n.e.c. prices by 5.71%, followed by Electric Appliances for Personal Care prices by 4.92%, then an increase of 4.03% in the prices of Transport Insurance. As illustrated in table (13) and chart (13).

Table 13 | Inflation Rate for Miscellaneous Goods and Services group 2013 – 2015

Expenditure groups	Weight	2013	2014	2015
Miscellaneous Goods and Services	6.15	(0.28)	1.69	2.94
Personal care Services	0.78	(0.31)	8.27	2.03
Electric Appliances for Personal Care	0.02	0.59	4.62	4.92
Other Appliances, Articles and Products for Personal Care	2.34	1.37	1.78	3.54
Jewellery, Clocks and Watches	0.29	(10.87)	(6.88)	(5.83)
Other Personal Effects	0.05	(3.33)	(3.33)	0.25
Health Insurance	0.41	-	-	-
Transport Insurance	1.53	(1.41)	0.40	4.03
Other Services n.e.c.	0.73	3.07	1.54	5.71

2007 = 100

Chart 13 | Inflation Rate for Miscellaneous Goods and Services group 2013 – 2015

