



Dubai Statistics Center

# Inflation in Consumer Price Index

Emirate of Dubai

First Half 2018



Inflation Rate in the Emirate of Dubai record 1.99% in the First Half of 2018 compared to the First Half of 2017. This is due to an increase in the prices of: Transport division by 8.46%, which pushed inflation 0.86 points. Food and Beverages division by 4.72%, which pushed inflation 0.57 points. Restaurants and Hotels division by 11.53%, which pushed inflation 0.45 points. Education division by 3.59%, which pushed inflation 0.32 points. Communication division by 5.50%, which pushed inflation 0.26 points. Tobacco division by 73.80%, which pushed inflation 0.24 points. Clothing and Footwear division by 4.67%, which pushed inflation 0.10 points. Furnishings, Household Equipment and Routine Household Maintenance division by 2.65%, which pushed inflation 0.10 points. Health division by 0.55%.

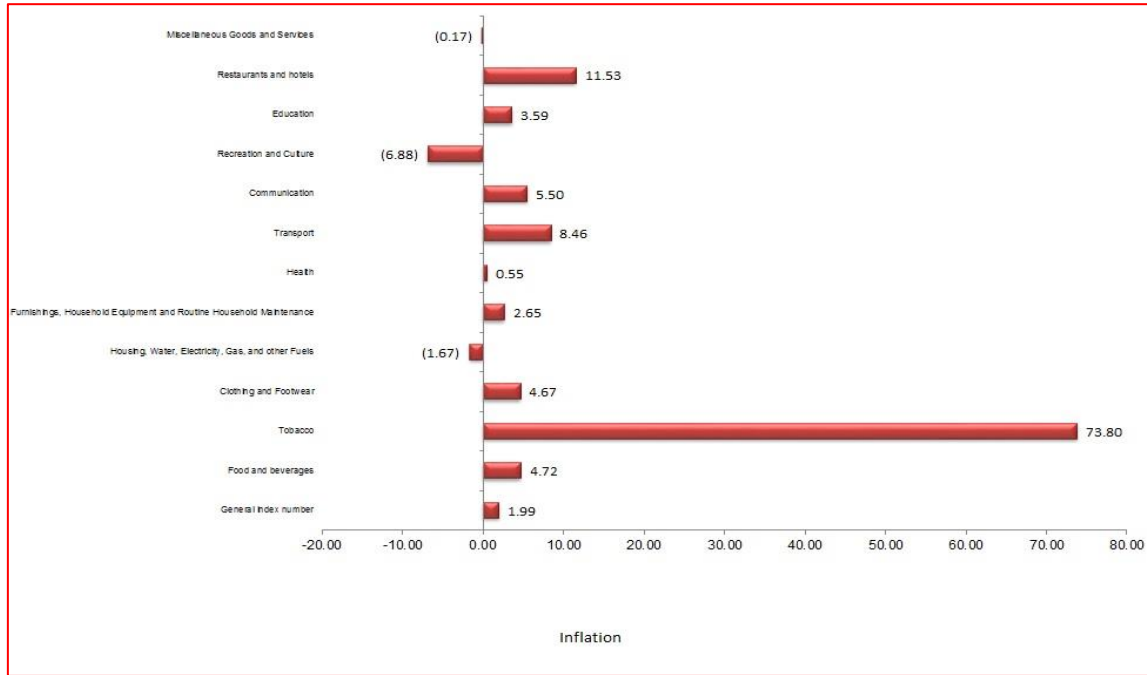
While prices of Housing, Water, Electricity, Gas, and other Fuels division decreased by 1.67%, which reduced inflation 0.75 points. Recreation and Culture division by 6.88%, which reduced inflation 0.15 points. Miscellaneous Goods and Services division by 0.17%, which reduced inflation 0.01 points. As shown in Table (1) and Figure (1).

**Table 1 Inflation and Consumer Price Index - First Half 2018**

2014 = 100

Expenditure divisions	Weight	CPI		Inflation Rate (%)
		First Half	First Half	
General index number	100.00	108.90	111.07	1.99
Food and beverages	13.09	101.00	105.76	4.72
Tobacco	0.35	99.16	172.34	73.80
Clothing and footwear	2.05	108.95	114.04	4.67
Housing, water, electricity, gas and other fuels	43.62	112.18	110.30	-1.67
Furnishings, household equipment and routine household maintenance	3.76	108.95	111.84	2.65
Health	0.85	102.17	102.74	0.55
Transport	10.62	104.29	113.11	8.46
Communication	5.22	100.14	105.64	5.50
Recreation and culture	2.33	99.06	92.24	-6.88
Education	8.48	114.07	118.16	3.59
Restaurants and hotels	4.00	105.39	117.53	11.53
Miscellaneous goods and services	5.63	119.05	118.85	-0.17

Figure 1 Inflation in Consumer Price Index - First Half 2018



### Inflation rate in major expenditure groups:

#### Food and Beverages

Prices of Food and Beverages Group increased by 4.72%. Because of an increase in the prices of Mineral waters, soft drinks, fruits and vegetables juices by 12.07%, Followed by an increase in the prices of fruits by 10.65% and prices of Milk, cheese and eggs increased by 6.65%.

#### Tobacco

Inflation rate of Tobacco group increased by 73.80%, due to an increase in the prices of Tobacco by 120.74% due to the application of Excise Tax and Value Added Tax (VAT). In Addition, prices of other beverages increased by 8.69%.

## Clothing and Footwear

The prices of Clothing and Footwear group increased by 4.67%, due to an increase in the prices of Clothing Materials by 13.73%, in addition, the prices of Cleaning, Repair and Hire of Clothing increased by 7.66% and the prices of Garments increased by 4.91%.

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

Inflation rate of Housing, Water, Electricity, Gas, and other Fuel group decreased by 1.67%. As a result in the decrease of the prices of Rents by 2.77%.

## Furnishings, Household Equipment and Routine Household Maintenance

Inflation rate of Furnishings, Household Equipment and Routine Household Maintenance group increased to record 2.65%. Because of an increase in the prices of Major Household Appliances by 12.33%. Followed by an increase in the prices of Repair of furniture, furnishings and floor covering by 9.17%. Furthermore, the prices of Small Electric Household Appliances increased by 7.77%.

## Health

Inflation rate of Health group reached 0.55%. Because of an increase in the prices of Other Medical products by 7.80%, followed by an increase in the prices of Dental services by 4.85% and the prices of Therapeutic appliances and equipment increased by 2.84%.

## Transport

Inflation rate of Transport group increased by 8.46%, with the highest increase in the prices of Fuels and lubricants for personal transport equipment by 21.57% after the announcement of the Ministry of Energy regarding deregulation of fuel prices in the UAE since August 2015. In addition to that, prices of Spare parts and accessories for personal transport equipment increased by 9.94% and prices of Maintenance and repair of personal transport equipment increased by 5.00%.

## Communication

Communication group prices increased to record 5.50%. Because of the increase in the prices of Telephone and Telefax Services by 5.62%, followed by the prices of Postal services by 2.69% and the prices of Telephone and Telefax Equipment increased by 1.53%.

## Recreation and Culture

Inflation rate of Recreation and Culture group decreased by 6.88%. Due to a decrease in the prices of Holidays Package by 15.80%, followed by the prices of Equipment for the Reception, Recording and Reproduction of Sound and Pictures by 6.11% and a decrease by 5.13% in the prices of Pets and related products.

## Education

Inflation rate of Education group has increased by 3.59%, because of an increase in the fees of Tertiary education by 8.14%, followed by fees of Education not definable by level by 5.42% and Post-secondary non-tertiary education fees by 3.75%.

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 11.53%, due to an increase in the prices of Canteens by 41.42%, followed by the prices of Restaurants and Cafés by 5.86%.

## Miscellaneous Goods and Services

Inflation rate of Miscellaneous Goods and Services group decreased by 0.17%. As the prices of Transport Insurance decreased by 10.21%. Additionally, the prices of Other Services decreased by 0.63%.