

February 2016

(Base year 2014)

Detailed by:

- Expenditure groups
- Household welfare levels
- Household type
- Regions

Introduction

The Consumer Price Index (CPI) is an important statistical indicator for the purposes of planning and research in various disciplines. Statistics centers and agencies in different countries consistently compile these indices, which depend on the prices of a basket of goods and services consumed by the household sector. The figures thus calculated constitute a time series that provides a measure of changes in the cost of living over time.

Therefore, Statistics Centre - Abu Dhabi has always taken interest in collecting the prices of those goods and services on a regular basis and publishes the indicators derived from this data, following the methodologies adopted internationally in this field.

The Price Indices Section at the Statistics Centre - Abu Dhabi compile the CPI according to households' levels of welfare and type. For the welfare level approach, the population is divided into five segments (quintiles), which represent five standard of living levels based on average annual expenditure per capita.

For the household type approach, the population is divided into three types of households as described in the results of the Household Income and Expenditure Survey (2014), namely, Citizen, Non-Citizen and Share households.

To represent all regions of the Emirate, the selected sample of items included in the Consumer Price Index basket uses actual data from the Household Income and Expenditure Survey 2014. The sample of outlets were selected to represent points of purchase for a large base of consumers all over the Emirate of Abu Dhabi, taking into consideration the geographical distribution of sources within the Emirate.

Key Points

This publication provides an analysis of the results of the CPI for the month of February 2016 with the base year 2014. In addition, the publication provides the results of the CPI by household welfare levels, by household type and by region. The main findings of this analysis are outlined below:

- The inflation rate in consumer prices for the first two months of 2016 was 3.3%, compared with the same period of 2015, as shown by the increase in the CPI to 105.6 points during the first two months of 2016, up from 102.2 points during the same period of 2015.
- The CPI increased by 3.4% in February 2016, compared with February 2015, as shown by the increase in the CPI from 102.0 points in February 2015 to 105.5 points in February 2016.
- The CPI decreased by 0.2% in February 2016 compared with January 2016.

110.0 109.0 108.0 106. 106.4 05.7 105.5 05.5 105.4 107.0 104.4 104.2 106.0 Consumer Price Index 103.4 105.0 103.0 104.0 02.0 103.0 102.0 101.0 100.0 May Jun Jul Aug Sep Oct Feb Jan Feb Mar Apr Nov Dec Jan 2015 2016 Month

Figure 1: CPI from January 2015 to February 2016

- The rise in consumer prices for the first of two months 2016 compared with same period in 2015, contributed to an increase of 3.5% in consumer prices for households of the bottom welfare quintile over the same period of comparison. As for the other welfare levels, consumer prices grew by 3.3% for households of the middle and the top quintiles.
- The rise in consumer prices for first two months of 2016 compared with same period in 2015, increased consumer prices for citizen households by 3.1%, followed by 3.5% for non-citizen households and 4.1% for share households.

Consumer Price Index (CPI) for February 2016 (2014=100)

A. Inflation rates

The annual inflation rate for the first two months of 2016 reached 3.3%, with the CPI for the first two months of 2016 at 105.6 points, compared with 102.2 points for the same period of 2015. Annual inflation for February 2016 has reached 3.4%. Figure 2 shows annual inflation rates for the months of 2015 and 2016.

Table 1: Consumer price index

	Month		
Year	January	February	Jan-February
2015	102.4	102.0	102.2
2016	105.7	105.5	105.6
Relative Change	3.2	3.4	3.3

Source: Statistics Centre - Abu Dhabi

Figure 2: Annual inflation rates for the months of 2015 and 2016



Source: Statistics Centre - Abu Dhabi

B. CPI for first two months of 2016 compared with the same period of 2015

Table (2) shows the twelve major expenditure groups, as per the Classification of Individual Consumption according to Purpose (COICOP), and the Weight or relative importance of each one of the main expenditure groups. The Weight of any group is the households' expenditure on that group as a proportion of total expenditure on all groups. The table also shows the relative change, which is the percentage rate of change in the prices of any given group for first two months of 2016 compared with

the same period of 2015. The percentage contribution reflects the expenditure group's contribution to the overall change of 3.3% in the prices of all groups.

Table 2: Major expenditure groups by weights, relative change and contribution for the first two months of 2016 compared with the same period of 2015

Main expenditure groups	Weight	Relative change%	Contribution%
Food and beverages	12.3	1.4	5.0
Tobacco	0.2	1.1	0.1
Clothing and footwear	5.4	0.9	1.5
Housing, water, electricity, gas and fuels	31.2	8.2	79.5
Furnishings, household equipment	7.2	-0.4	-0.9
Health	1.6	0.7	0.4
Transport	14.7	-1.3	-5.6
Communication	5.0	-3.8	-5.6
Recreation and culture	4.8	3.3	4.6
Education	6.9	4.4	9.2
Restaurants and hotels	3.8	5.4	6.1
Miscellaneous goods and services	7.0	2.8	5.8
Total	100	3.3	100.00

Source: Statistics Centre - Abu Dhabi

The above table shows the 'Housing, water, electricity, gas and other fuels' group accounted for the largest rise in the index during for first two months of 2016 compared with the same period of 2015, contributing 79.5% to the change. This contribution resulted from an increase of 8.2% in the prices of this group.

The 'Food and beverages' group contributed 5.0% to the overall increase in the CPI for first two months of 2016 compared with the same period of 2015. Prices of this group increased by 1.4% over the same period.

The 'Restaurants and hotels' group which contributed 6.1% of the overall increase in the CPI rose by 5.4% for first two months of 2016 compared with the same period of 2015.

C. CPI of February 2016 compared with the CPI of February 2015

The average consumer prices increased by 3.4% in February 2016 compared with February 2015, with the CPI at 105.5 points in February 2016, up from 102.0 points in February 2015. This increase in prices was due to the net movement (increases and decreases) of consumer prices during the mentioned months.

The most significant groups, which experienced increases in prices during February 2016 compared with February 2015, were 'Housing, water, electricity, gas and other fuels' with 8.2%, 'Restaurants and hotels' with 6.0%, 'Miscellaneous goods and services' with 3.3% and 'Food and beverages' with 1.7%

Table 3: Major expenditure groups by weights, relative change and contribution for February 2016 compared with February 2015

Main expenditure groups	Weight	Relative change%	Contribution%
	40.0	4 7	0.0
Food and beverages	12.3	1.7	6.0
Tobacco	0.2	1.1	0.1
Clothing and footwear	5.4	1.2	1.9
Housing, water, electricity, gas and fuels	31.2	8.2	77.3
Furnishings, household equipment	7.2	-0.6	-1.2
Health	1.6	0.8	0.4
Transport	14.7	-1.4	-5.9
Communication	5.0	-3.9	-5.6
Recreation and culture	4.8	3.6	4.9
Education	6.9	4.4	9.0
Restaurants and hotels	3.8	6.0	6.5
Miscellaneous goods and services	7.0	3.3	6.7
Total	100	3.4	100.00

D. CPI of February 2016 compared with the CPI of January 2016

The average consumer prices decreased by 0.2% in February 2016 compared with January 2016. This overall decrease in prices between the two months reflects the net movement (increases and decreases) of consumer prices during the periods compared.

The most significant groups, which experienced decreases in prices during February 2016 compared with January 2016, were 'Transport' with 1.6%, and 'Food and beverages' with 0.3%.

E. CPI by household welfare level

1. Comparing the average CPI by household welfare level for the first two months of 2016 with the same period of 2015

The rise of 3.3% in consumer prices during the first two months of 2016 compared with the same period in 2015, resulted in an increase of 3.5% in consumer prices for households of the bottom welfare quintile for the same period of comparison. The corresponding rise for other welfare levels was 3.3% for households of the middle and the top welfare quintile.

Table 4: Average CPI values by household welfare level for the first two months of 2015 and 2016

Period	Bottom	Bottom- Middle	Middle	Top-Middle	Тор
2015	103.1	102.8	102.6	102.4	101.7
2016	106.7	106.2	106.1	105.8	105.0
Relative Change	3.5	3.3	3.3	3.4	3.3

2. Comparing CPI by household welfare level for February 2016 with February 2015

The rise of 3.4% in consumer prices for February 2016 compared with February 2015, resulted in an increase of 3.6% in consumer prices for households of the bottom welfare quintile for the same period of comparison. The corresponding rise for other welfare levels was 3.4% for households of the middle and the top welfare quintile.

Table 5: CPI values by household welfare level for the months of February 2016 and February 2015

Period	Bottom	Bottom- Middle	Middle	Top-Middle	Тор
February 2015	102.8	102.6	102.5	102.2	101.5
February 2016	106.5	106.1	106.0	105.7	105.0
Relative Change	3.6	3.3	3.4	3.5	3.4

Source: Statistics Centre - Abu Dhabi

3. Comparing CPI by household welfare level for February 2016 with January 2016

The 0.2% decrease in consumer prices in February 2016 compared with January 2016 caused decreases of 0.3% in consumer prices for households in the bottom quintile and 0.2% in the middle quintile and decreases of 0.1% for the top welfare quintile.

Table 6: CPI values by household welfare level for the months of February 2016 and January 2016

Period	Bottom	Bottom- Middle	Middle	Top-Middle	Тор
January 2015	106.9	106.3	106.2	105.9	105.1
February 2016	106.5	106.1	106.0	105.7	105.0
Relative Change	-0.3	-0.3	-0.2	-0.2	-0.1

110.0 109.0 108.0 107.0 106.0 **Consumer Price Index** 105.0 104.0 Bottom 103.0 Bottom- Middle 102.0 Middle 101.0 Top-Middle 100.0 Jan | Feb Feb Mar Apr May Jun Jul Aug | Sep | Oct Nov Dec Jan 2015

Figure 3: CPI by household welfare level from January 2015 to February 2016

F. CPI by household type

1. Comparing the average CPI by household type for the first two months of 2016 with the same period of 2015

Month

2016

The 3.3% rise in consumer prices for the first two months of 2016 compared with the same period of 2015, pushed up consumer prices for citizens by 3.1%, non-citizen households by 3.5%, and share households by 4.1%.

Table 7: Average CPI by household type values for the first two months of 2015 and 2016

Period	Citizen	Non-citizen	Share
2015	101.6	102.7	102.8
2016	104.7	106.3	106.9
Relative Change	3.1	3.5	4.1

Source: Statistics Centre - Abu Dhabi

2. CPI by household type for the month of February 2016 compared with February 2015

The 3.4% increase in consumer prices for February 2016 compared with February 2015, caused increases of 3.1% in consumer price index for citizen households, 3.6% for non-citizen households and 4.2% for share households during February 2016 compared with February 2015.

Table 8: Average CPI values by household type during February 2016 and February 2015

Period	Citizen	Non-citizen	Share
February 2015	101.4	102.5	102.5
February 2016	104.6	106.2	106.8
Relative Change	3.1	3.6	4.2

3. CPI by household type for the month of February 2016 compared with January 2016

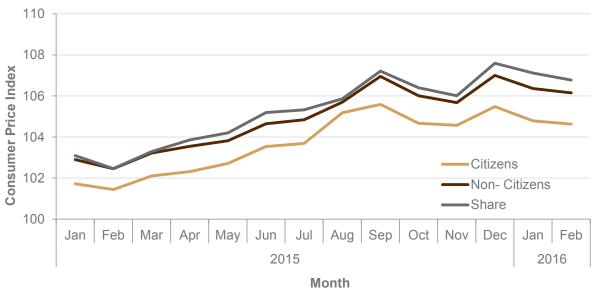
The 0.2% decrease in consumer prices for February 2016 compared with January 2016 caused decreases of 0.1% in the consumer price index for citizen households, 0.2% for non-citizen households and 0.3% for share households during February 2016 compared with January 2016.

Table 9: Average CPI values by household type during February 2016 and January 2016

Period	Citizen	Non-citizen	Share
January 2016	104.8	106.4	107.1
February 2016	104.6	106.2	106.8
Relative Change	-0.1	-0.2	-0.3

Source: Statistics Centre - Abu Dhabi

Figure 4: CPI by household type from January 2015 to February 2016



G. CPI by region

1. Consumer Price Index - Abu Dhabi Region

- The CPI in the Abu Dhabi region increased by 4.0% in February 2016, compared with February 2015.
- The CPI decreased by 0.2% in February 2016, compared with January 2016. The major groups that decreased were 'Transport' by 1.5%, 'Food, and Beverages' by 0.8%.

2. Consumer Price Index- Al Ain Region

- The CPI in the Al Ain region increased by 2.8% in February 2016, compared with February 2015.
- The CPI decreased by 0.1% in February 2016, compared with January 2016. The major groups that decreased were 'Transport' by 1.6%.

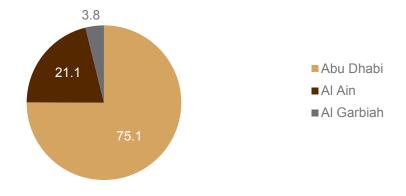
3. Consumer Price Index - Al Gharbia Region

- The CPI in the Al Gharbia region increased by 2.2% in February 2016, compared with February 2015.
- The CPI decreased by 0.3% in February 2016, compared with January 2016. The major groups that decreased were 'Transport' by 1.5% and 'Food, and Beverages' by 0.9%.

Share of the regions in the average price change in the Emirate of Abu Dhabi for the first two months of 2016 compared with the same period of 2015:

The increase of 3.3% in consumer prices for the first two months of 2016 compared with the same period of 2015, resulted from the increase of consumer prices in the regions of Abu Dhabi, Al Ain and Al Gharbia. The increase in the CPI in the Abu Dhabi region contributed 75.1% of the total increase for first two months of 2016 compared with the same period of 2015, while the Al-Ain region contributed 21.1% and the Al Gharbia region 3.8% of the total increase during the period.

Figure 5: Share of the regions in the average price change in the Emirate of Abu Dhabi for the first two months of 2016 compared with the same period of 2015





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