



مركز الإحصاء - أبوظبي
STATISTICS CENTRE - ABU DHABI

Consumer Price Index January, 2012

(Base year 2007)

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Executive summary

- From January 2011 to January 2012, average consumer prices rose by 0.8 per cent.
- From December 2011 to January 2012, average consumer prices decreased by 0.3 per cent.

Table 1: Average CPI and relative change

Year	December	January
	CPI	
2011	122.4	121.0
2012	-	122.0
	— % —	
Relative change	-	0.8

Source: Statistics Centre - Abu Dhabi

Relative change is based on the unrounded CPI

- Consumer prices for households in the bottom welfare level increased by 1.1 per cent in January 2012 compared with January 2011 and in the top welfare level by 0.6 per cent. The prices for households in the middle welfare level increased by 1.0 per cent.
- Consumer prices for national households increased by 1.0 per cent, in January 2012 compared with January 2011, 0.5 per cent for non-national households and 0.9 per cent for collective households.

1. Consumer prices for January 2012

Table 2: Weights, relative price index changes

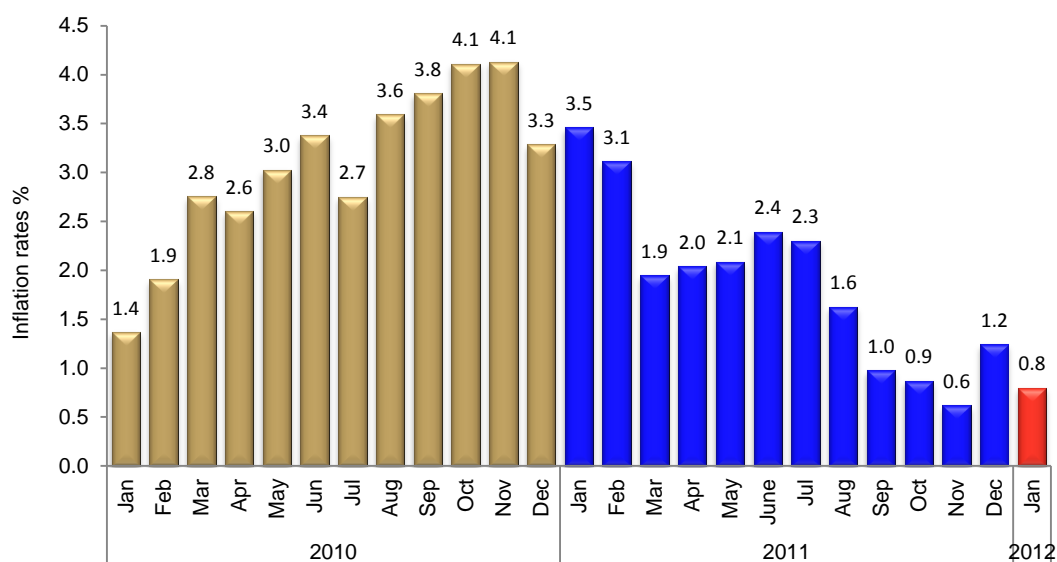
Main Expenditure Groups	Weight	Relative change in group CPI's
	— % —	
Food and non-alcoholic beverages	16.1	4.7
Alcoholic beverages and tobacco	0.3	7.4
Clothing and footwear	9.8	-4.5
Housing, water, electricity, gas and other fuels	37.9	-0.4
Furnishings, household equipment and routine household maintenance	4.8	2.0
Health	0.8	0.0
Transport	9.7	0.5
Communication	7.7	-0.1
Recreation and culture	2.4	-0.1
Education	2.6	4.8
Restaurants and hotels	3.4	6.9
Miscellaneous goods and services	4.6	-0.9
Total	100	-

Source: Statistics Centre - Abu Dhabi

- Over the year, that is, for January 2012 compared with January 2011, average consumer prices increased by 0.8 per cent. The most significant individual increase of 7.4 per cent came from higher prices for “Alcoholic beverages and tobacco” followed by “Restaurants and hotels” which rose by 6.9 per cent, “Education” with 4.8 per cent and “Food and non-alcoholic beverages” with 4.7 per cent. Over the same period, prices of the “Clothing and footwear” group decreased by 4.5 per cent.

- Over the month, that is, for January 2012 compared with December 2011, average consumer prices decreased by 0.3 per cent. The most significant individual decrease came from prices for “Food and non-alcoholic beverages” which decreased by 1.6 per cent while “Miscellaneous goods and services” decreased by 1.5 per cent over the month.

Figure 1: Annual Inflation Rates from January 2010 to January 2012



Source: Statistics Centre - Abu Dhabi

2. Consumer prices by household welfare level for January 2012

- Consumer prices for households in the bottom welfare level increased by 1.1 per cent in January 2012 compared with January 2011 and in the top welfare level by 0.6 per cent. The prices for households in the middle welfare level increased by 1.0 per cent.

- Consumer prices decreased in January 2012 compared with December 2011 for all welfare levels. Prices in the bottom welfare level decreased by 0.7 per cent and in the middle welfare levels decreased by 0.4 per cent and the top middle level welfare decreased by 0.2 per cent.

3. Consumer prices by household type for January 2012

- Consumer prices for national households increased by 1.0 per cent, in January 2012 compared with January 2011, 0.5 per cent for non-national households and 0.9 per cent for collective households.
- Compared with December 2011, consumer prices for national and non-national households decreased by 0.3 per cent and 0.7 per cent for collective households.

Next release

Consumer price index, February 2012, will be released on 10 March 2012. For more information on prices and other official statistics, please visit the SCAD website at <http://www.scad.ae>

Consumer Price Index (CPI) Calculation Methodology

The CPI is a mathematical average that measures the rate of change in the prices of a basket of goods and services purchased by representative households between two time periods. The period against which prices are compared is known as the base period and the period under review is known as the comparison period.

1- Sources of Goods and Services

The sources used for collection of price data were determined through field visits conducted by a team from SCAD's Price Indices Section. These sources are updated on a regular basis e.g. when any source closes down or relocates premises. Price data are currently collected from 117 sources.

2- Collection of Price Data

The CPI basket is collected every month, except for the group of vegetables, fruit, meat, fish, and chicken for which price data are collected every week due to price fluctuations in these items. Data on home rentals are collected on a quarterly basis, and school tuition fees semi-annually. The index is calculated using 2007 as the base year for the Abu Dhabi region, with a basket consisting of 334 goods and services and a consumer basket consisting of 670 goods and services.

3 - Weights

The weights (relative importance) of goods and services are calculated using the results of the 2007-08 Household Income and Expenditure Survey. Goods or services with a weight of 0.002 per cent or more were included in the CPI basket of goods and services. Goods with weights below this value were distributed proportionally among the other goods in the same group.

4- Compilation of the CPI

The CPI is calculated using the Laspeyres method which uses fixed base-year weights:

$$CPI_L = \sum \frac{P_{1i}}{P_{0i}} \times W_{0i}$$

The average prices of items in the basket are calculated using the geometric mean of elementary aggregates. Price ratios are calculated by dividing the comparison price by the base price. The price ratios are then multiplied by their appropriate base weights, and are then summed to form the average index.

The index for house rentals is calculated separately using a moving base. This figure is calculated on a quarterly basis.

In addition to the general CPI for all Abu Dhabi Emirate, the CPI is also constructed for five welfare levels classified according to annual household income quintiles. In addition, the CPI by household type is constructed for the classifications of household type: national, non-national and collective households. A collective household means two or more unrelated persons living in one housing unit and sharing their living arrangements.