



مركز الإحصاء - أبوظبي
STATISTICS CENTRE - ABU DHABI

Consumer Price Index March Quarter, 2012

(Base year 2007)

Apr 8, 2012

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Executive summary

- The average rise in consumer prices for the first quarter of 2012 was 0.9 per cent, compared with the same period of 2011.
- From March 2011 to March 2012, average consumer prices rose by 1.3 per cent.
- From February 2012 to March 2012, average consumer prices increased by 0.3 per cent.

Table 1: Average CPI and relative change

Year	Feb	Mar	Q1	Q4
	CPI			
2011	121.2	120.7	121.0	122.6
2012	121.9	122.2	122.0	-
	— %—			
Relative change	0.6	1.3	0.9	-

Source: Statistics Centre - Abu Dhabi

- An overall rise in consumer prices during the first quarter of 2012 compared with the same period in 2011 has led to an increase of 1.0 per cent 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 0.7 per cent for households of the top quintile and by 1.1 per cent for the middle welfare quintile.
- During the first quarter of 2012 compared with the same period in 2011, consumer prices for national households increased by 1.1 per cent, and by 0.6 per cent for non-national households and 0.9 per cent for share households.
- Consumer prices for Q1 2012 compared with Q4 2011 decreased by 0.4 per cent.

1. Consumer prices for the first quarter of 2012

Table 2: Weights, relative price index changes and contributions of expenditure groups to the overall percentage points change in CPI, first quarter 2012 compared with first quarter 2011.

Main Expenditure Groups	Weight	Relative change in group CPI's	Contribution to percentage point change in CPI
		— % —	
Food and non-alcoholic beverages	16.1	4.3	84.4
Alcoholic beverages and tobacco	0.3	8.1	2.3
Clothing and footwear	9.8	-2.8	-25.7
Housing, water, electricity, gas and other fuels	37.9	-0.7	-32.4
Furnishings, household equipment and routine household maintenance	4.8	1.5	8.3
Health	0.8	0.0	0.0
Transport	9.7	0.8	8.5
Communication	7.7	0.0	-0.3
Recreation and culture	2.4	-0.3	-0.7
Education	2.6	4.8	18.3
Restaurants and hotels	3.4	10.0	40.0
Miscellaneous goods and services	4.6	-0.5	-2.7
Total	100	-	100

Relative change is based on the unrounded CPI.

Source: Statistics Centre - Abu Dhabi

- The average rise in consumer prices for the first quarter of 2012 was 0.9 per cent, compared with the same period of 2011.
- The "Food and non-alcoholic beverages" group, accounted for 84.4 per cent of the percentage point rise in the index, due to increases in the prices of most of the subgroups included in this group. The highest price increases were in the "Meat" subgroup which rose by 12.1 per cent, followed by "Fish and seafood" 10.7 per cent, "Coffee, tea and cocoa" 10.0 per cent, "Oils and fats" 6.3 per cent, and "Bread and cereals" 4.3 per cent.

The next highest group contributor to the overall year-to-date increase in the CPI over the first quarter of 2012 was "Restaurants and hotels" which accounted for 40 per cent of the increase in the CPI. While prices for this group increased by 10.0 per cent.

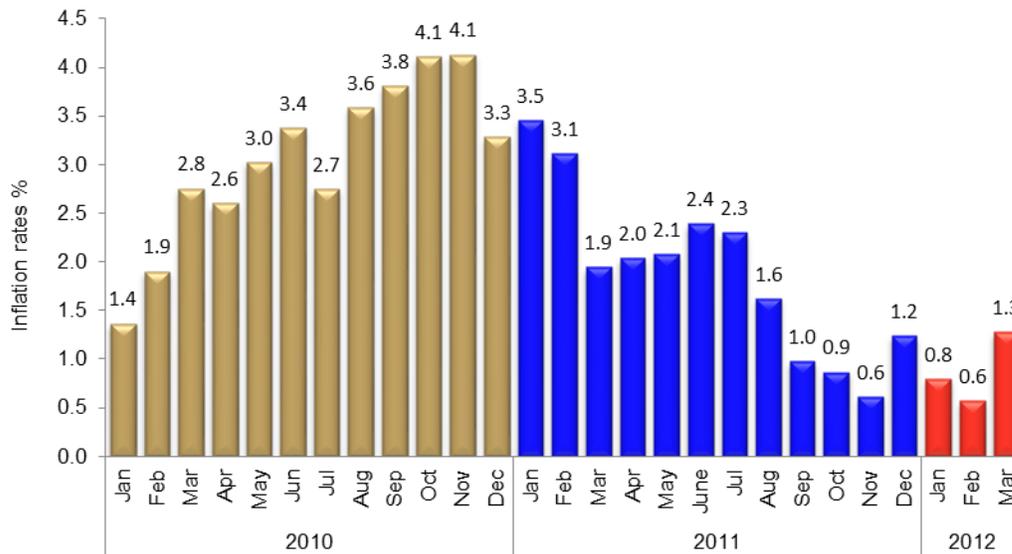
- The main group that slowed down the rise in consumer prices during the first quarter of 2012 compared with the same period of 2011 was "Housing, water, electricity, gas and other fuels" which contributed a negative 32.4 per cent of the overall change in the CPI index. The average prices of this group decreased by 0.7 per cent. The "Clothing and footwear" group which contributed a negative 25.7 per cent of the overall change in the CPI index. The average prices of this group decreased by 2.8 per cent.
- The CPI retreated 0.4 percent during the first quarter of 2012 compared with Q4 2011. The main group that slowed down the rise in consumer prices during the first quarter of 2012 compared with quarter four 2011 was the prices of "Food and non-alcoholic beverages" which decreased by 1.9 percent.

2. Consumer prices for March 2012

- Over the year, that is, for March 2012 compared with March 2011, average consumer prices increased by 1.3 per cent. The most significant individual increase came from higher prices for "Restaurants and hotels" which rose by 13.4 per cent, followed by "Alcoholic beverages and tobacco with a " 9.5 per cent increase and "Food and non-alcoholic beverages" with a 5.6 per cent increase. Over the same period, prices of the "Housing, water, electricity, gas and other fuels" group decreased by 1.3 per cent.

- Over the month, that is, for March 2012 compared with February 2012, average consumer prices increased by 0.3 per cent. The most significant individual increase came from prices for “Restaurants and hotels” which increased by 3.4 per cent, followed by “Clothing and footwear” with a 2.3 per cent increase and “Alcoholic beverages and tobacco” with a 1.9 per cent increase.

Figure 1: Annual inflation rates from January 2010 to March 2012



Source: Statistics Centre - Abu Dhabi

3. Consumer prices by household welfare level for March 2012

- Consumer prices for the households of the bottom welfare quintile increased by 1.0 per cent during the first three months of 2012 compared with the same period in 2011. The corresponding rise for other welfare levels was 0.7 per cent for households of the top quintile and 1.1 per cent for the middle quintile while prices for the bottom middle welfare quintile increased by 1.2 per cent.
- Consumer prices for households in the bottom welfare quintile increased by 1.3 per cent in March 2012 compared with March 2011. Prices for households in the top welfare level increased by 1.1 per cent while prices in the middle welfare level increased by 1.5 per cent.

- Consumer prices increased in March 2012 compared with February 2012 for all welfare levels. Prices in the bottom and top welfare level increased by 0.2 per cent and in the middle welfare level prices increased by 0.3 per cent.

4. Consumer prices by household type for March 2012

- During the first three months of 2012, consumer prices for national households increased by 1.1 per cent, 0.6 per cent for non-national households and 0.9 per cent for share households.
- Consumer prices for national households increased by 1.5 per cent, in March 2012 compared with March 2011, 1.0 per cent for non-national households and 1.3 per cent for share households.
- Compared with February 2012, consumer prices for national and non-national households increased by 0.3 per cent and 0.1 per cent for share households.

Next release

Consumer price index, April 2012, will be released on 10 May 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 three 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:

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

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 share households. A share household means three or more unrelated persons living in one housing unit and sharing their living arrangements.