



مركز الإحصاء
STATISTICS CENTRE

Consumer Price Index

August 2020

(Base year 2014)

Detailed by:

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

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Briefing

This publication provides an analysis of the results of the CPI for August 2020 with the base year 2014. In addition, it provides the results of CPI by household welfare levels, by household type and provides the percentage contribution of the major expenditure groups in the annual price change.

Key Points

- The rate of decline in consumer prices was 2.4% during the period January- August of 2020 compared to the same period of 2019, the index reached 108.4% for the period January- August of 2020, while it was 111.1% for the same period of 2019.
- The CPI decreased by 3.3% in August 2020 compared with August 2019, where the index reached 107.1% during August 2020, while it was 110.8% in August 2019.
- The CPI decreased by 0.2% in August 2020 compared with July 2020, where the index reached 107.1% during August 2020, while it was 107.3% in July 2020.
- The decline in consumer prices during January- August 2020 compared with the same period in 2019, contributed to a decrease of 1.1% in consumer prices for households of the bottom welfare level, and 2.0% for the middle welfare level, and 3.1% for the top welfare level.
- The decline in consumer prices during January- August 2020 compared with the same period in 2019, contributed to a decrease of 2.5% for citizen households and non-citizen households, as for shared households there was a decrease of 1.3%.
- The 'Housing, water, electricity, gas and fuel' group contributed 47.8% to the overall decrease in the CPI during Jan- August 2020 compared with the same period in 2019. Prices of this group decreased by 3.7% over the same period.
- Prices of the 'Recreation and culture' group decreased by 16.2% during Jan- August 2020 compared with the same period in 2019, and contributed 36.5% to the overall decrease.
- The 'Transport' group contributed by 33.1% to the overall decrease in the CPI during Jan- August 2020 compared with the same period in 2019. Prices of this group decreased by 5.7% over the same period.

- Prices of the 'Food and beverages' group increased by 5.3% during Jan-August 2020 compared with the same period in 2019, and contributed 25.0% in reducing the overall decrease in the CPI.

Statistical Table

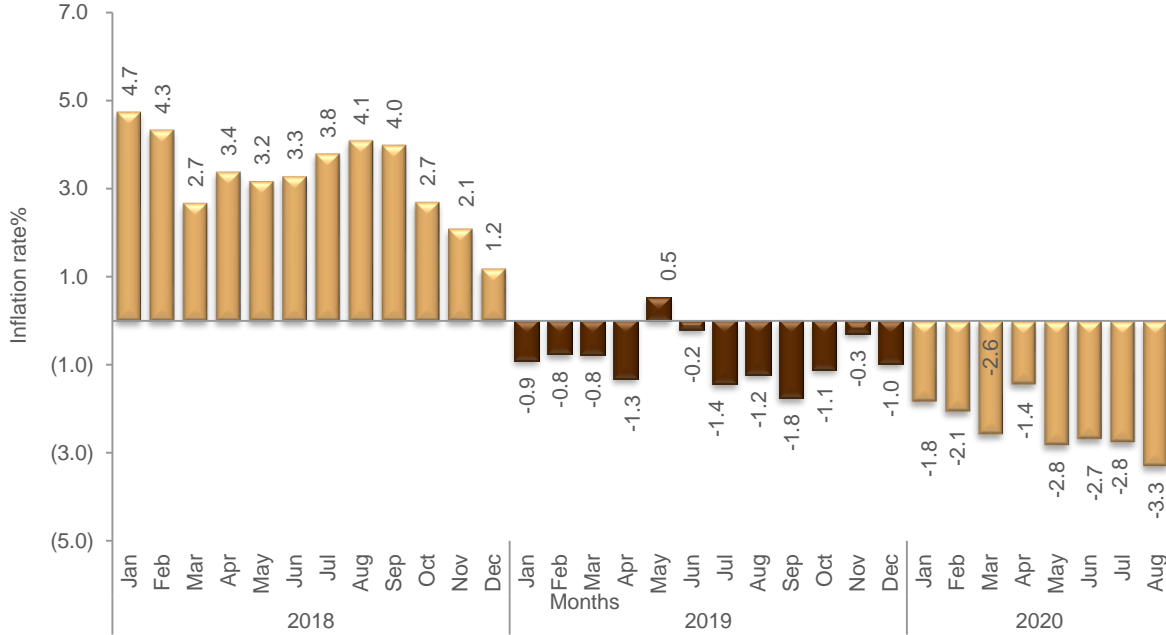
Table (1): Major expenditure groups by weight, relative change and contribution during Jan-August 2020 compared with the same period in 2019

Main expenditure groups	Weight	Relative change%	Contribution%
Food and beverages	12.3	5.3	25.0
Tobacco	0.2	3.2	0.5
Clothing and footwear	5.4	7.8	18.5
Housing, water, electricity, gas and fuels	31.2	-3.7	-47.8
Furnishings, household equipment	7.2	-4.5	-13.3
Health	1.6	0.0	0.0
Transport	14.7	-5.7	-33.1
Communication	5.0	-0.9	-1.6
Recreation and culture	4.8	-16.2	-36.5
Education	6.9	0.0	0.0
Restaurants and hotels	3.8	-2.9	-4.8
Miscellaneous goods and services	7.0	-2.3	-7.0
Total	100.00	-2.4	-100.0

Source: Statistics Centre - Abu Dhabi

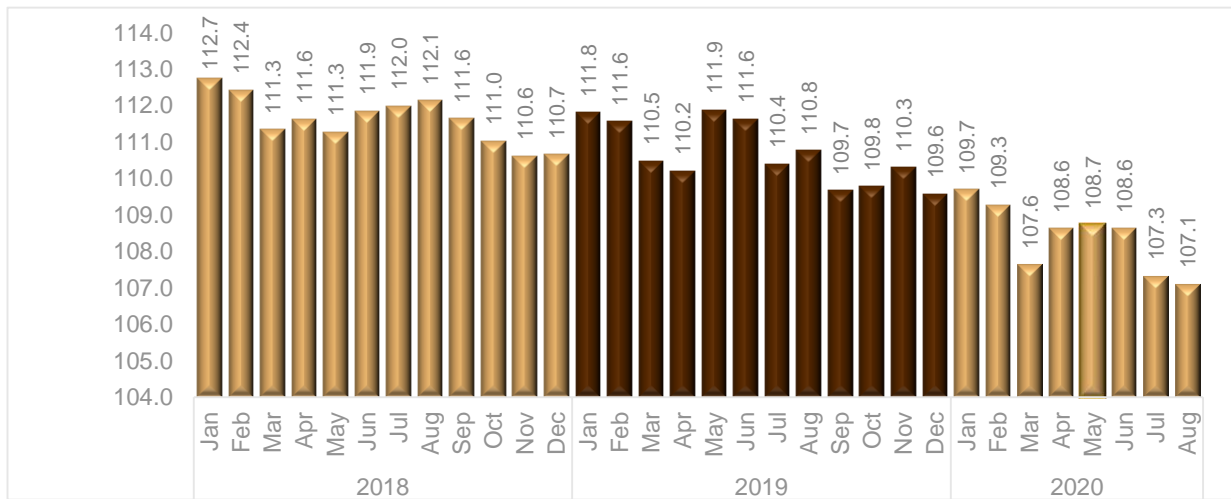
Figures

Figure (1): Annual inflation rates for the months of 2018 -2020



Source: Statistics Centre – Abu Dhabi

Figure (2): CPI for the months of 2018-2020



Source: Statistics Centre – Abu Dhabi

Consumer Price Index Methodology

Overview

Statistics Centre- Abu Dhabi is the sole official body responsible for calculating and publishing the Consumer Price Index (CPI) within the Emirate of Abu Dhabi. The Centre updated the CPI base year to 2014 for both prices and weights. Weights that are used in the new CPI were calculated using the results derived from the Household Income and Expenditure Survey 2014, which was carried out in the Emirate of Abu Dhabi. The methodology used in calculating the CPI follows best international recommendations and practices in this field.

Importance

The CPI provides monthly estimates on the rate of change in the prices of a consumer price basket in the Emirate of Abu Dhabi. Some of the significant utilizations of the CPI are:

- The CPI is used as an important economic indicator to calculate inflation rates. The Inflation rate is a key statistic for economic policymaking and is used for adjusting payments (such as rents and wages).
- Salaries and wages are being adjusted by international entities and big corporations based on the change taking place in the CPI.
- The CPI is used as a deflator while producing national accounts at constant prices.

Objectives

- Provide the data needed to calculate monthly and annual inflation rates.
- Calculating the rates of relative change in the averages of the main and sub-groups.
- Monitor the movement of average prices.
- Provide the necessary indices in calculating the growth rates in the national income at fixed prices.
- Updating the poverty lines quarterly

Glossary

The publication contains technical terms related to index numbers and the income and prices section. To understand the publication, the reader should be familiar with these terms, and the publication includes the following terms:

Inflation: Average rise in the general level of prices

Index Number: It is a number to compare the relative change, which affects any phenomenon (or a number of phenomena) due to the different time or place.

Price: is defined as the value of one unit of a good or service.

Consumer Price: A price paid by a household to gain a commodity or service.

Comparison Period: It is the time period that we want to compare its' prices or quantities or values with another period.

Base Period: It refers to the period to which the current period is being compared.

Weight: It is the percentage calculated by dividing the households' expenditure on a determined good\ service on the total households' expenditure on all goods and services.

Index Number Basket: The Goods and services that comprise the Index Number. Each good\ service has a weight.

Consumer Basket: The Goods and services that represent the Index Number Basket. The goods and services in this basket don't have weights.

Coverage

Prices are collected from the three regions of the Emirate of Abu Dhabi (Abu Dhabi, Al Ain, Al Dhafra), where the consumer price index is representative of all the main regions of the Emirate.

Periodicity

The Consumer Price Index is published monthly and annually.

Classification

The Classification of Individual Consumption according to Purpose (COICOP) is used in the construction of the CPI. The COICOP is a United Nations classification, which is used for statistical purposes.

Data sources

Data are obtained through a field survey by collecting the prices from different outlets in Abu Dhabi Regions (Abu Dhabi, Al Ain and Al Dhafra) The data are processed and passed to the Prices and Income Section at Statistic Centre – Abu Dhabi for further editing and compilation. Moreover, there are administration data that are received from Abu Dhabi Department of Urban Planning and Municipalities and Department of Education and knowledge.

Questionnaire

Prices are collected through an electronic program downloaded on the iPad.

Sample design

Sample proportional to size

Data collection

Prices for the basket of goods and services are collected through field visits by statistical nominators in the field on a weekly, monthly, and quarterly basis, through iPad.

Data auditing and calculation method

The price audit process goes through several stages:

- Validation rules have been added to the change in prices, where the goods / service whose change in the price exceeds a certain limit are shown, as these limits were set based on the historical change in the prices of goods and services.
- Review the price history on a weekly basis with the nominators.
- A mechanism has been set up for the treatment of seasonal goods.
- Final review of the prices for the three geographical regions (Abu Dhabi, Al Ain and Al Dhafra).

The CPI was calculated using Laspeyres method

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

Output indicators

- Consumer Price Index - Emirate level
- Consumer Price Index - Regional Level
- Consumer Price Index - household welfare level
- Consumer Price Index - household type level
- Inflation rates
- Ramadan food price index

Timeline

The Consumer Price Index is issued seven working days after the reference month ends

Dissemination

The consumer price index data is published as follows:

- SCAD website
- Press release
- Sallatna application

Improvement

A smart application has been developed on smartphones, "Sallatna", so that the consumer price index basket is displayed at all levels of publication, indices, monthly and yearly inflation rates, in addition to average prices, and it is possible to make a comparison with previous months. Currently, work is being done in coordination with the Information Technology Department on the "E- link" project with Hypermarkets and outlets so that the prices of goods and services are provided directly to the databases in order to save the effort and time that the field nominators and the statistical researcher go through in extracting the results of the consumer price index.

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